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Current History

OCTOBER, 1988

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This issue focuses on perestroika, glasnost and democratization in the Soviet Union under Mikhail Gorbachev. As our introductory article on Soviet-American relations points out, "Gorbachev's surprising and repeated foreign policy initiatives in 1986 and the first months of 1987 were steadily turned into real achievements by late 1987 and early 1988."

Washington and Moscow: A Tale of Two Summits

BY LAWRENCE T. CALDWELL

Professor of Political Science, Occidental College

PRESIDENT Ronald Reagan appeared to be deeply touched by his visit to Moscow from May 29 to June 2, 1988. Soviet General Secretary Mikhail Gorbachev proved on that occasion and during his visit to Washington, December 7-10, 1987, that he is a formidable diplomat as well as a dynamic politician. Occasionally, the Washington and Moscow summits of 1987-1988 seemed to take the two men beyond the posturing, and photo opportunities, and the glimmer of high state affairs to a kind of personal relationship.

At least that is the way the American President appeared to see it. He had done very well. Right from his opening hours, when he and his wife Nancy took an unscheduled walk along the famous Moscow street Arbat, mixing with crowds, to his well-publicized stroll in Red Square with Gorbachev, the President seemed to enjoy using the Soviet people and their capital as a backdrop for his kind of politics. He spoke frequently and with emotion about these contrived "meetings" with "real Russians." He also seemed reflective. He spoke of the end of the postwar era, and claimed that "all this is cause for shaking the head in wonder."¹ He repeatedly praised Gorbachev as a "serious man" and someone seeking genuine reforms. Nor did the President's optimism dim after he returned to Washington. There was a sense in the summitry of 1987-1988 that some of President Reagan's ideas about the Soviet Union had been transformed.

The President's success in Moscow during his May and June visit followed Gorbachev's visit to

Washington the previous December. Gorbachev met with leaders from Congress, the media and business. He met with schoolchildren. At one point, he dramatically ordered his limousine to stop on such short order that the car carrying his security guard charged ahead and had to make a quick reversal, as Gorbachev plunged into the crowds along Connecticut Avenue. He was described as "fascinating, extraordinary." Indeed, so successful were his public appearances that at one point he had to demur: "Oh, I think when you look closely you will see I am not exceptional. It is an exaggeration. I am just like other people. I am a normal person."² Participants in the Washington summit used terms like a "general breakthrough," "hopeful signs," and "a turning point."

Most of this, of course, was symbolic. Symbols matter in politics, but they do not substitute for substantive achievement. There were, nonetheless, substantive achievements at each summit. By far the most important was the signing of the Intermediate Nuclear Forces (INF) treaty on December 8, 1987, and its ratification by the United States Senate, after a variety of objections from opponents, on the literal eve of President Reagan's trip to Moscow in May, 1988. But this was not the only achievement. The two leaders had what were reported to be detailed and frank discussions of the Soviet withdrawal from Afghanistan, and these talks probably contributed to Gorbachev's dramatic announcement on February 8, 1988, that Soviet troops would begin their withdrawal on May 15, 1988, providing that the complicated talks among the Afghans, the Pakistanis, the Soviets and the Americans under United Nations auspices had pro-

¹From his speech at Guildhall in London to the Royal Institute for International Affairs, June 4, 1988.

²*The New York Times*, December 10, 1988, pp. 1, 8.

duced the requisite agreements by March 15.³ While there were diplomatic and military difficulties still to be overcome, Soviet troops did begin withdrawing in May, before the 1988 summit.

Soviet policy toward Afghanistan reflected deep and important changes in Moscow's global strategy. Gorbachev's surprising and repeated foreign policy initiatives in 1986 and the first months of 1987 were steadily turned into real achievements by late 1987 and early 1988. Gorbachev had made repeated concessions for the INF treaty. He had taken Washington by surprise in January, 1986, with calls for deep cuts in strategic arms and had repeated those initiatives at the Reykjavik summit with President Reagan later that year.⁴

By 1987, it was time to translate these initiatives into concrete agreements. The most important of these fell into three categories: arms control, regional policy and bilateral cooperation. But the agreed purpose was laid out in the joint statement adopted at the 1987 summit:

The two leaders recognized the special responsibility of the Soviet Union and the United States to search for realistic ways to prevent confrontation and to promote a more sustainable and stable relationship between their countries. To this end, they agreed to intensify dialogue and to encourage emerging trends towards constructive cooperation in all areas of their relations.

In the attempt to facilitate **arms control**, the two leaders:

- signed the treaty between the United States of America and the Union of Soviet Socialist Republics on the elimination of their intermediate-range and shorter-range missiles, December 8, 1987;
- affirmed their commitment to complete the negotiations on strategic offensive arms at both the 1987 and 1988 summits, and committed themselves to many specifics like on-site inspection;
- opened "full-scale, stage-by-stage negotiations on nuclear testing," beginning November 9, 1987, including exchanges of experts to nuclear test sites beginning in January, 1988, and agreed (during the Moscow summit) on methods for monitoring tests;
- approved of the signing on September 15, 1987, of an agreement to establish nuclear risk reduction centers in Washington and Moscow;

³The Afghan problem was reported to have been discussed in meetings between Reagan and Gorbachev on December 9 (see *The New York Times*, December 10, 1988). The February statement was read on Moscow radio, and carried by the Foreign Broadcast Information Service (hereafter, FBIS), FBIS-Sov-88-025, February 8, 1988, pp. 34-36.

⁴These concessions and initiatives were detailed in this author's article, "United States-Soviet Relations and Arms Control," *Current History*, October, 1987, pp. 305-308ff.

- signed an agreement for advance notification of missile launchings;
- expressed determination to negotiate an agreement on chemical weapons;
- sanctioned a prolonged set of "mandate" talks at Vienna within the framework of a follow-up meeting of the Conference on Security and Cooperation in Europe (CSCE) to reduce conventional weapons from the Atlantic to the Urals.

With regard to **regional issues**, President Reagan and General Secretary Gorbachev promised to:

- facilitate the Soviet withdrawal from Afghanistan;
- encourage negotiations (which led to a tentative agreement in New York on July 13, 1988) for the withdrawal of Cuban troops from Angola, for the independence of Namibia and for a political settlement in Angola;
- probably agreed that Moscow would pressure Vietnam to announce the withdrawal of many of its own troops from Cambodia by the end of 1988 and would encourage the government of Cambodia to undertake reconciliation talks with rebels supported by China and other regional states.

As for **bilateral issues**, the leaders:

- agreed in principle to increase sharply [from about 50 to 1,500] exchanges of high school students within the next two years;
- agreed to expand other cultural exchanges.

During the summit meetings, there were also repeated military meetings, including meetings between United States Defense Secretary Frank Carlucci and Soviet Defense Minister Dimitry Yazov, and between the Soviet chief of staff and the American chairman of the joint chiefs of staff; additional meetings took place between military leaders in March and July, 1988.

Of course, not all difficulties have been resolved. But Gorbachev has moved beyond symbols to substance. Taken together, the symbols that surrounded the summits and the progress that has been made on arms control, regional conflicts and on bilateral relations amount to a transformation in the tone of Soviet-American relations.

The most important test of that transformation can be found in arms control negotiations. The achievement has been greatest in the INF treaty, and the failure of the two sides to conclude a treaty on strategic arms most clearly reveals the limits on what can be achieved.

The INF treaty, signed at the Washington summit, provides the principal demonstration of Gorbachev's determination to alter the military competition between the superpowers. Soviet deploy-

ment of its new SS-20 missiles in the late 1970's had represented a qualitative change in the theater-nuclear balance of forces, and had led to NATO's (the North Atlantic Treaty Organization) 1979 decision to deploy its own new theater-nuclear missiles—the Pershing II and Tomahawk ground-launched cruise missiles.⁵ Toward the end of President Leonid Brezhnev's rule (1964–1982) and during the brief leadership of General Secretary Yuri Andropov (1982–1984), the Soviet Union had tried to head off NATO's deployment by a vigorous peace campaign. This effort failed when NATO began to deploy the Pershing II's in late 1983. Andropov was gravely ill and policy adjustments were difficult because of jockeying for position within the Kremlin leadership. Konstantin Chernenko (1984–1985) succeeded Andropov, but the basic struggle for control of policy between those who wanted vigorous innovation and those who preferred the Brezhnev policies was not resolved. The chance for change came in 1985 when Chernenko died and Mikhail Gorbachev became General Secretary.

Gorbachev immediately put his personal stamp on the INF negotiations. He compromised on the Soviet insistence that British and French nuclear forces had to be included in any agreement. He compromised on President Reagan's determination to have the “zero option”—no intermediate nuclear missiles in Europe—even though that required far larger Soviet than NATO reductions. Gorbachev compromised on “global zero,” the inclusion in the negotiations of his theater-nuclear missiles in the Far East, where the United States and its allies had none. And, in the final months before signing the treaty at the Washington summit, he also compromised on including shorter-range nuclear systems, where once again Soviet reductions would have to be asymmetrical.⁶ More surprisingly, he reversed long-standing Soviet objections to “intrusive” forms of verification and agreed to the most complicated regimen of inspection to enforce the INF treaty that had ever been signed between the superpowers.⁷

⁵The best treatments of the history of the INF talks are found in Strobe Talbott, *Deadly Gambits* (New York: Alfred A. Knopf, 1984); and Raymond L. Garthoff, *Detente and Confrontation* (Washington, D.C.: Brookings, 1985), especially chapters 25–28.

⁶The author detailed these compromises in his article for *Current History*, October, 1987.

⁷United States Department of State, *Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Elimination of Their Intermediate-Range and Shorter-Range Missiles* (Washington, D.C.: United States Department of State Publication 9555, December, 1987).

⁸The Tass version in English was carried by FBIS-Sov-87-238, December 11, 1987, pp. 15–19. See also *The New York Times*, December 11, 1987.

⁹Ibid, June 2, 1988, p. 7; and FBIS-Sov-88-106, June 2, 1988, pp. 16–22.

The treaty provides for “on-site inspections,” both “within the territory of the other Party and within the territories of basing countries.” The initial inspections must be made within 60 to 90 days, but each side was provided with the right to conduct up to 20 inspections per year for three years after the treaty entered into force, and a diminishing number of inspections each year for the subsequent 10 years. Both countries achieved the right to maintain “continuous monitoring” of plants used for assembling the prohibited missiles. This very complicated procedure for verifying compliance with the treaty required massive changes in Soviet thinking, which has traditionally been obsessed with secrecy in all matters of national security, and it even caused discomfort among American military leaders, who had apparently believed the Soviet Union would never agree to such measures.

Moreover, Soviet leaders agreed to reductions that were far more numerous on their side than on the American side. The United States will destroy 689 intermediate-range Pershing II and ground-launched cruise missiles (GLCM's) with 282 launchers, while the Soviet Union will destroy 826 missiles with 608 launchers. The number of launchers may make a difference because they can be deployed in such a way as to establish survivability in wartime by dispersing and proliferating the number of targets an enemy must locate and strike. In shorter-range systems, the asymmetry of reductions is even greater—926 for the Soviet side and 170 for the American.

Just as the INF treaty demonstrated the dynamism of United States-Soviet relations and how a single leader, Gorbachev, could cut through the knots of conflicting positions when he had the will to do so, the Geneva talks on strategic offensive arms have revealed that a lack of will, or strongly held conflicting positions, can stall negotiations and block agreements that seem feasible. In this case, a framework for a treaty has existed almost since the Reykjavik summit in 1986. At the Washington summit, President Reagan and General Secretary Gorbachev issued instructions to their negotiators to “work toward the completion of the treaty . . . in the first half of 1988.”⁸ They also spelled out in considerable detail the provisions of such a treaty. At the Moscow summit in June, they went further: “While important additional work is required . . . many key provisions are recorded in the joint draft and are considered to be agreed. . . .”⁹ These agreements include draft texts of an inspection protocol, apparently patterned after the INF text.

The agreed provisions will provide the heart of a future treaty. To achieve the 50 percent reductions discussed at Reykjavik, the two sides have long agreed to create a ceiling of 6,000 warheads on

1,600 strategic delivery systems. There are to be subceilings. No more than 4,900 of the permitted warheads may be carried on land-based ballistic missiles (ICBM's) and sea-based ballistic missiles (SLBM's)—meaning that at least 1,100 warheads would be counted on airplanes and air-launched cruise missiles (ALCM's) or GLCM's. Sea-launched cruise missiles (SLCM's) would be limited under a separate agreement.

These provisions were important to the Americans. The United States has long contended that ballistic missiles are the most destabilizing offensive systems, because they arrive at their targets quickly and could be used for a "first strike." In contrast, aircraft and cruise missiles have been seen as more stable in a crisis—they attack more slowly and are inherently more mobile, permitting political leaders to move more cautiously once hostilities seem imminent. By American logic in several administrations, the most dangerous and destabilizing strategic systems are the Soviet SS-18's—fixed-site, very large ICBM's. By the Washington summit, the sides had agreed that no more than 154 of these missiles or a similar type would be permitted.

Several inferences may be suggested. First, the framework agreement will produce a roughly 50 percent reduction in overall warheads. Second, it will require the Soviet Union to reduce the SS-18 force, which the Americans regard as the most threatening. Third, it may encourage some restructuring of strategic offensive forces. Within ceilings of 6,000 warheads, the Soviets especially are likely to place a higher percentage of their strategic nuclear force into SLBM's and bombers. That will mean, of course, that they will move in the direction of patterning their forces more closely after the American forces. They have a new bomber ready for deployment—the Blackjack. And their Typhoon and Delta IV submarines carry the SS-N-20 and SS-N-23 SLBM's with 9 and 10 warheads, respectively.¹⁰ They are also likely to move a steadily higher percentage of their ICBM force to the road-mobile SS-25 and the rail-mobile SS-24. In sum, therefore, the framework agreement has

the basis of a considerably reduced strategic offensive nuclear environment and conforms more closely to American ideas of strategic stability.

What, then, is preventing its signature and ratification? One technical issue and one very large political issue have gotten in the way. The technical issue has revolved around sea-launched cruise missiles (SLCM's). The subject was discussed at the Moscow summit, without resolution. It is a thorny problem for verification, because the United States has insisted on reserving the right to deploy a mix of conventionally and nuclear-armed SLCM's on submarines and surface ships. The problem is that the mix cannot be verified easily or accurately without placing inspectors aboard the ships themselves. The issue remains unresolved at midsummer in 1988.

The larger issue revolves around the Reagan administration's commitment to the Strategic Defense Initiative (SDI). Sometime after Reykjavik, the Soviet leadership apparently decided that President Reagan's personal commitment to this program was unshakable. It changed tactics and has attempted to get a firm United States commitment to abide by a strict definition of the 1972 Antiballistic Missile (ABM) treaty.¹¹

Those who are least enthusiastic about a strategic arms agreement have fixed on the issue of the Soviet radar complex at Krasnoyarsk in Siberia, which these treaty opponents claim is a clear violation of the ABM treaty and demonstrates that Soviet leaders do not take the treaty's obligations seriously. In the late spring of 1988, pressure developed within the administration to charge the Soviet Union formally with a "material breach" of the ABM treaty.¹² Soviet leaders responded by offering to dismantle the "radar equipment" at Krasnoyarsk, but the hard-liners in the administration did not accept that as an adequate response.

The problems in strategic arms talks, therefore, represent something of a qualification to the picture developed in discussing the INF treaty—Gorbachev's dynamic push to alter Soviet-American relations. In the strategic case, he may have decided that Soviet interests are served by waiting until after the November, 1988, elections in the United States. Although there has been some talk of another Reagan-Gorbachev summit to sign an strategic offensive arms agreement, that seems unlikely.

Gorbachev's first priority is perestroika (restruc-

(Continued on page 337)

¹⁰United States Department of Defense, *Soviet Military Power: An Assessment of the Threat 1988* (Washington, D.C.: U.S. Government Printing Office, 1988) pp. 44–67.

¹¹The author's article in *Current History*, October, 1987, outlined the evidence for this judgment.

¹²See Michael Gordon's treatment of differences in the administration in *The New York Times*, June 28, 1988, p. 3. The best full treatment of the Krasnoyarsk issue is found in Gloria Duffy, *Compliance and the Future of Arms Control* (Stanford: Stanford University, Palo Alto, 1988), especially ch. 5. For a strong argument against the charge of "material breach," see George Bunn, Sidney Drell, and Leo Sartori, "Material Breach? Charge is More Legalistic than Real," *Los Angeles Times*, July 27, 1988, part 2, p. 7.

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"A promising beginning has been made on the long road leading to the restructuring of Soviet foreign policy. Despite the public relations component of [Soviet General Secretary Mikhail] Gorbachev's new thinking, it is certainly more than empty rhetoric."

Soviet "New Thinking" and East-West Relations

BY PAUL MARANTZ

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GENERAL Secretary Mikhail Gorbachev has made the call for "new thinking" the centerpiece of his foreign policy program. The phrase "new thinking" (*novoe myshlenie*) occupies the same exalted place in his discussion of international politics that perestroika and glasnost have assumed in his domestic policy. Over and over again, Gorbachev has stressed the necessity of discarding old approaches in favor of new policies more appropriate to the urgent realities and dangers of our times.

But what is the significance of this development? Are we witnessing the beginning of a historic transformation of the traditional Marxist-Leninist approach to East-West relations? Or is this just a cunning exercise in image-building aimed at reshaping Western perceptions of the Soviet Union without actually changing the fundamentals of Soviet foreign policy?

Among Western analysts, there is a good deal of caution, skepticism and outright cynicism about the Soviet call for "new thinking." Helmut Sonnenfeldt, a high-ranking official in the administrations of Presidents Richard Nixon and Gerald Ford, has dismissed it as nothing more than "old-fashioned thinking with a jazzed up vocabulary. It's old poison in new bottles."¹

The skeptics believe that Gorbachev's current charm offensive differs little from past Soviet peace

campaigns. As was the case in the early 1920's, the mid-1930's, the mid-1950's, and the early 1970's, the Soviet Union wants to call a temporary truce in its confrontation with the West. But once its current domestic troubles are surmounted, these observers believe, the Soviet Union will resume its expansionist policies, possibly as an even more powerful, dynamic and adroit contender for world power. According to the skeptics, Gorbachev's espousal of "new thinking" represents little more than the adoption of more sophisticated public relations techniques. But the West should see through this maneuver and recognize that it is only the packaging that is changing and not the substance of Soviet foreign policy.²

This article advances a different interpretation. It argues that Gorbachev's advocacy of "new thinking" is potentially of very great significance for East-West relations, because it goes far beyond a tactical adjustment prompted by temporary economic difficulties. In this author's view, a genuine process of reappraising and rethinking Soviet goals, priorities and policies is under way in Moscow. The Soviet leadership is very concerned about its foreign image, but it is also engaged in an agonizing reappraisal of traditional assumptions about the dynamics of international politics and the role that the Soviet Union should play in world affairs. If present trends continue and if new insights are embodied in concrete policy — two very big "ifs" — then the consequences will be of historic significance for East-West relations.³

GORBACHEV'S INNOVATIONS

Five major elements constitute the core of Gorbachev's "new thinking" about East-West relations.⁴ The first is the tone and orientation that Gorbachev has brought to the discussion of foreign policy in the Soviet Union. The complacency and the self-congratulation of the past have been discarded. Little is being said about the eternal, unchanging truths of Marxism-Leninism. Instead, it is repeatedly and forcefully stated that traditional approaches must be discarded and new policies must be sought. The emphasis is on the questioning of past practice and

¹Quoted in "Will the Cold War Fade Away?" *Time*, July 27, 1987, p. 32.

²Gerhard Wetting, "New Thinking' on Security and East-West Relations," in *Problems of Communism*, vol. 37, no. 2 (March-April, 1988), pp. 1-14. Jean Quatras (pseudonym), "New Soviet Thinking Is Not Good News," *The Washington Quarterly*, vol. 11, no. 3 (Summer, 1988), pp. 171-183.

³Cautiously optimistic analyses of the "new thinking" are contained in Franklyn Griffiths, "New Thinking' in the Kremlin," *Bulletin of the Atomic Scientists*, vol. 43, no. 3 (April, 1987), pp. 20-24; Robert Legvold, "Gorbachev's 'New Thinking,'" in *Gorbachev's Foreign Policy*, Foreign Policy Association Headline Series, no. 284 (1988), pp. 7-30; Paul Marantz, *From Lenin to Gorbachev: Changing Soviet Perspectives on East-West Relations* (Ottawa: Canadian Institute for International Peace and Security, 1988), Occasional Paper no. 4, pp. 59-88.

⁴Gorbachev's speech to the twenty-seventh party congress in February, 1986, contains the most comprehensive statement of the central principles of the "new thinking." *Kommunist*, 1986, no. 4, pp. 5-80.

the search for innovative and constructive solutions for the acute problems facing the world. Again and again, Gorbachev has proclaimed: "Profound changes must take place in the political thinking of mankind."⁵

The second change introduced by Gorbachev is a sense of urgency about the nature of the nuclear threat hanging over humanity. Gorbachev has repudiated the official line that had been in force since the mid-1950's. Official doctrine had previously maintained that only the existence of capitalism—and not of socialism—would be jeopardized by nuclear war. Although the vast human devastation of nuclear war had been acknowledged before 1985, it was still confidently asserted that even nuclear war could not halt history's onward march toward the worldwide victory of communism. Gorbachev has abandoned this thesis and has said that all mankind faces an unprecedented threat to its very existence. World civilization is imperiled; for this reason, all peoples of the world must cooperate in a common search for a solution.

Third, Gorbachev has emphasized the importance of international interdependence. Although President Leonid Brezhnev occasionally alluded to the world's growing interdependence, Gorbachev has given this concept far greater prominence and has argued that global problems (like environmental degradation and resource scarcity) threaten "the very . . . existence of civilization."⁶ Gorbachev has stressed that the Soviet Union cannot stand aside and pretend that the world's ills are solely the responsibility of the capitalist nations.⁷

Fourth, and most important, Gorbachev has advanced a new Soviet concept of international security. In what amounts to a far-reaching critique of past practice, Gorbachev has criticized the attempt to attain security unilaterally by means of a military buildup. Instead, he has advocated multilateral cooperation and reliance on the political process. Security is to be sought through the give and take of international negotiation.⁸

Gorbachev has spelled out an important corollary to this perspective by stressing the need for mutual security. He has acknowledged the intimate connection between Soviet and American security interests. The Soviet Union will not be secure until other nations—especially the United States—feel secure. If the Soviet Union's adversaries believe that they are menaced by a "Soviet threat"—whether or not Moscow thinks this is an accurate perception—they will take counteractions that will lessen Soviet security. Thus, it is in the Soviet in-

terest to gain a deeper understanding of the West's security needs and to refrain from those policies that other countries find threatening.

This, in turn, has led to the development of the fifth major element in Gorbachev's conception of East-West relations, the adoption of new verbal formulations to characterize Soviet military doctrine. Gorbachev has embraced the concept of "reasonable sufficiency." He has argued that the Soviet Union should not aspire to military superiority over the West nor even to strict parity in all weapons systems. Rather, what is needed is sufficient military strength to accomplish the central objectives of deterring an attack against the Soviet Union and defending the homeland in the event of war.

In their exploration of the concept of sufficiency, Soviet commentators have also begun to explore the idea of a "nonoffensive defense." It is suggested that all nations, the Soviet Union included, should restructure their armed forces so that their own territory can be defended without posing a threat to other nations. This might be accomplished by such measures as mutual troop withdrawals from border regions or the replacement of tanks, which have an offensive capability, by fixed artillery. The concepts of reasonable sufficiency and nonoffensive defense are potentially of enormous significance, because they might eventually lead to a major reduction and restructuring of the Soviet armed forces.

EVALUATING THE "NEW THINKING"

Western policymakers have been so determined to avoid past mistakes, to make sure that they do not succumb to wishful thinking and that they resist the blandishments of Soviet propaganda, that they have not given sufficient attention to some crucial analytical questions. If fundamental change were occurring in the Soviet leadership's perspectives on East-West relations and if a genuine attempt were under way in Moscow to fashion a new, more constructive approach to international affairs, how would this be manifested? What kind of evidence should Western analysts be looking for to determine how much substance there is in Soviet calls for "new thinking?"

In attempting to answer these questions, four criteria may be applied as a kind of litmus test to determine whether or not Soviet foreign policy is being reshaped by a genuine process of change and ferment. First, how do Soviet commentators discuss the Soviet Union's foreign policy record? Do they limit themselves to the platitudinous observation that new times require new thinking or do they specifically criticize past errors in Soviet foreign policy? Second, is there any evidence of debate or controversy within the Soviet Union concerning some of the tenets of the "new thinking"? If a genuine effort

⁵*Kommunist*, no. 16 (1986), p. 13.

⁶*Kommunist*, no. 4 (1986), p. 17.

⁷*Pravda*, April 11, 1987, p. 2.

⁸*Kommunist*, no. 4 (1986), p. 54.

were being made to revise traditional policies, we would expect to find some indications that the partisans of those policies are resisting revision.

Third, is there any evidence that basic attitudes that promoted a confrontational stance toward the outside world are changing? As long as Soviet politics is characterized by intense suspiciousness, a mania for secrecy, acute insecurity, and a dogmatic intolerance of diversity, the opportunities for constructive East-West cooperation are bound to remain very limited.

The fourth and most important test of all is whether Soviet policy is actually changing. Unless uplifting words are embodied in concrete deeds, the West will have good reason to remain skeptical. Applying each of these four criteria, this writer would argue that there is substantial evidence that a genuine process of reevaluating the methods and goals of Soviet foreign policy is taking place in Moscow.

Gorbachev first enunciated the major elements in his "new thinking" at the twenty-seventh party congress in February, 1986. For the next 18 months there was virtually no public criticism of past Soviet foreign policy. Soviet commentators limited themselves to vague and noncommittal calls for fresh approaches, but they avoided any discussion of specifics. They did not acknowledge that the Soviet Union had made any mistakes in dealing with the West or that Soviet policy had contributed to international tension. This superficial and carefully controlled treatment of foreign policy issues in the Soviet press lent support to the view of Western skeptics who argued that Soviet spokesmen were more interested in image building than they were in a reevaluation of Soviet foreign policy.

However, since the latter half of 1987, there has been a dramatic change. For the first time since Stalin consolidated his power in the 1920's, the regime's foreign policy has come under sustained fire in the Soviet press. The most striking example thus far of this new approach is an article that was published in *Literaturnaya gazeta* on May 18, 1988, by Vyacheslav Dashichev, a department head at one of the major research institutes in Moscow. Dashichev indicted the foreign policy of Joseph Stalin in scathing terms:

What came to the fore, especially after World War II, was the spread of socialism of the Stalinist type wher-

ever possible and its standardization in all countries regardless of their national features. Overcentralization in domestic policy inevitably engendered hegemonism and a great-power mentality in foreign policy. . . . The hegemonic, great-power ambitions of Stalinism that became rooted in foreign policy repeatedly jeopardized political equilibrium between states, especially those of the East and the West. In the process the interests of the expansion of social revolution pushed into the background the task of averting the threat of war.⁹

Brezhnev's foreign policy was also severely criticized:

Could such a severe exacerbation of tension in the relations of the U.S.S.R. and the West in the late 1970's and early 1980's have been avoided? Unquestionably so. It is our conviction that the crisis was caused mainly by the miscalculations and incompetent approach of the Brezhnev leadership toward the resolution of foreign policy tasks.¹⁰

Foreign Minister Eduard Shevardnadze has also been outspoken in his criticism of past policy. On June 27, 1987, Shevardnadze delivered a speech to Soviet diplomatic personnel that dealt with the shortcomings in Soviet economic relations with the non-Communist world. He described the Soviet Union as "a great country which in the last 15 years has been steadily losing its position as one of the leading industrially developed countries."¹¹ After describing how Soviet diplomats contributed to this decline, he stated:

If we are finally honest, we frequently encouraged and at times even induced enormous material investments in hopeless foreign policy projects and tacitly promoted actions, which both in the direct and the indirect sense have cost the people dearly even to this day. . . . The fact that the foreign policy service—one of the most important and most sensitive links in the system of state management—carried out its obligations out of touch with the country's fundamental vital interests is on our conscience.¹²

He called on the Soviet press to end the double standard, whereby domestic issues were being discussed with increased candor while the shortcomings of Soviet foreign policy were considered too sensitive for public discussion.¹³

In the past year, many commentators have taken up Shevardnadze's call for a more open discussion of Soviet foreign policy. Although Soviet scholars and journalists cannot go into much detail and must still be very careful about phrasing their remarks, critics have suggested various possibilities. Stalin's erroneous policy of fighting the German Social Democrats may have contributed to Hitler's rise to power; it was probably a criminal mistake for the

⁹*Literaturnaya gazeta*, May 18, 1988, p. 14.

¹⁰*Ibid.* Also see the equally hard-hitting interview with Dashichev published in *Komsomolskaya pravda*, June 19, 1988, p. 3.

¹¹*Vestnik Ministerstva Inostrannykh Del SSSR*, no. 2 (1987), translated in Foreign Broadcast Information Service, *Daily Report: Soviet Union*, October 27, 1987, p. 52.

¹²*Ibid.*

¹³*Ibid.*, p. 54.

Soviet Union to have concluded the 1939 nonaggression pact with Hitler. Stalin's policy toward Yugoslavia's General Secretary Josip Broz Tito was in error; it was wrong to have concealed the placement of Soviet missiles in Cuba in 1962 and to have lied about their presence there; the summit diplomacy of Nikita Khrushchev and Leonid Brezhnev was characterized by wishful thinking and ineptitude; it was an error to have sent troops into Afghanistan; and it was a mistake for the Soviet Union to have acquired so many SS-20 missiles and to have walked out of the Geneva arms talks in late 1983.¹⁴ This broad public criticism of the regime's foreign policy is an important development unlike anything that has been seen in the Soviet Union for more than half a century. It demonstrates the inadequacy of the view that nothing is changing in Soviet foreign policy and that Soviet leaders are simply repeating the time-worn tactics of old peace campaigns.

A second test of the depth of foreign policy change in Moscow is whether there is any evidence of controversy, debate or opposition surrounding the Soviet Union's adoption of a new posture toward East-West relations. If Soviet policymakers are rethinking past policies, objections will be heard from those individuals who are attached to old ways and who fear that traditional revolutionary objectives are being abandoned.

There are a number of signs of disquiet among traditionalists in the Soviet Union. For example, the military newspaper *Krasnaya zvezda* has attacked those individuals "who, in articles in the press and in oral statements, advocate moral disarmament, nonresistance and outright pacifism."¹⁵ Alés Adamovich, a prominent writer who has been especially outspoken in his call for a new moral ethic (renouncing militarism and the self-righteous promotion of one's own ideology), has come under especially strong fire from military spokesmen.¹⁶

It is noteworthy that the notorious manifesto attacking Gorbachev's domestic reforms that appeared in *Sovetskaya Rossiya* on March 13, 1988, took a few swipes at Gorbachev's foreign policy as well. It

bemoaned the decline of Russian nationalism and its replacement by some kind of "left-liberal dilettantish socialism" that expounds a form of class-free humanism. It also decried the "pacifist erosion of defense and patriotic consciousness." Most telling of all, the article criticized the downgrading of the role of class struggle in international politics as reflected in the abandonment of the traditional thesis that peaceful coexistence between capitalism and socialism is nothing less than "a form of class struggle in the international arena."¹⁷ The revised interpretation of peaceful coexistence, which deemphasizes the role of class struggle, is in fact the Gorbachev position.¹⁸

A third category of evidence that can help us to evaluate the sincerity of the "new thinking" championed by Gorbachev is provided by an examination of the basic attitudes and perspectives that form the underpinning of Soviet foreign policy. In the past, Soviet peace campaigns proved to be short-lived episodes in an ongoing confrontation with the West; shifts in Soviet foreign policy were not accompanied by significant domestic reform. This is clearly not the case under Gorbachev. Today, the Soviet Union is experiencing the broadest and most sustained attempt at reform since Soviet power was consolidated in the 1920's.

Moreover, there is a close interrelationship between Gorbachev's domestic program and the rethinking of Soviet foreign policy. Dogmatism is under attack; there is a newfound tolerance for diverse points of view; there is remarkable openness in discussing highly sensitive issues; the traditional sense of mission and self-righteousness is in retreat; and deep-seated feelings of insecurity and vulnerability are lessening. The publication of long-suppressed works, the growing exposure of the Soviet population to the viewpoints of Western policymakers, the increased candor about Soviet problems, the encouragement of individual initiative, the acknowledgment of Soviet mistakes, and the repudiation of claims of Communist party infallibility all testify to the emergence of a new political culture in the Soviet Union.

The most demanding and important test of Soviet sincerity is whether all the talk of "new thinking" is actually accompanied by new policies. It is prudent for the West to withhold final judgment on Gorbachev's foreign policy until high-sounding

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¹⁴Foreign Broadcast Information Service, *Daily Report: Soviet Union*, August 18, 1987, pp. A6-7; October 26, 1987, p. 26; June 8, 1988, pp. 67-70. *The Current Digest of the Soviet Press*, vol. 39, no. 48 (1987), pp. 8-9; vol. 39, no. 50 (1987), pp. 6-7; vol. 40, no. 11 (1988), p. 13.

¹⁵*Krasnaya zvezda*, December 12, 1987, p. 5, translated in *The Current Digest of the Soviet Press*, vol. 39, no. 49 (1987), p. 13.

¹⁶Thomas Nichols, "Intellectual Pacifists' Criticized by Military Officer," *Radio Liberty Research Bulletin*, RL 308/87 (July 28, 1987), pp. 1-4.

¹⁷*The Current Digest of the Soviet Press*, vol. 40, no. 13 (1988), pp. 4-5.

¹⁸Mikhail Gorbachev, *Perestroika* (New York: Harper and Row, 1987), p. 147.

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"[Soviet General Secretary Mikhail] Gorbachev has nothing to show economically after three and one-half years of effort. This has caused a deep sense of frustration and disillusionment among the Soviet people. If morale continues to deteriorate, it will become harder for Gorbachev to arouse public support for perestroika."

Perestroika in the Soviet Union

BY MARSHALL I. GOLDMAN

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FOR Soviet General Secretary Mikhail Gorbachev, economic reform or perestroika is the number one priority. As important as glasnost and democratization are, they are merely way stations or facilitators toward the goal of economic revitalization. Gorbachev began to stress glasnost and to call for democratization only after he discovered that the resistance to perestroika was far greater than he had anticipated. He came to realize that the Soviet people had been so disillusioned by the failure of past calls for economic reform that they refused to bestir themselves for Gorbachev unless he could show them that his proposals would bring about a material improvement in their daily lives. Naturally enough, Gorbachev could not produce such results if the Soviet people were unwilling to exert themselves. In fact, because of the confusion caused by Gorbachev's efforts toward reorganization, the Soviet economy actually began to lag, which led to even more cynicism and disillusionment. Thus Gorbachev concluded that his reforms could not be limited to economic restructuring and that simultaneously he would have to introduce fundamental political reforms.

While no one can fault Gorbachev for the earnestness of his intentions and the extent of his commitment, his conception of economic reform is faulty. He should have begun with agriculture, much as was done in China. Beginning in 1978, Chinese peasants began to break away from collective agriculture. They signed contracts with the collective farms, agreeing to produce and deliver a specified quantity of grain. Once they completed the commitment, however, everything else they produced was theirs to enjoy in the form of consumption or sales. The Chinese peasants responded immediately and increased their output not only of grain but of vegetables, fruits and meats as well. This meant a significant improvement in peasant well-being. Because the incomes of most Chinese urban workers were fixed, there was no corresponding increase in their money incomes. Even the city dwellers shared in the benefits of reform, because more goods began to appear on city street corners and in markets,

although admittedly at a higher price. Higher prices notwithstanding, the important factor, especially in the early years, was that the economic reforms were working. Some Chinese were growing richer more quickly than others, but no one could deny that along with the emergence of a new wealthy class, there was also a pronounced increase in output. Nor was that increase limited to showcase products, like steel and machine tools. Instead there was an undeniable increase in other consumer goods and thus a higher standard of living for all Chinese consumers.

Why did Gorbachev not adopt a similar strategy? After all, Gorbachev had dealt successfully with agricultural matters in his home base of Stavropol, which was one of the Soviet Union's most important agricultural centers. Moreover, it was because of his work in Stavropol that Gorbachev was brought to Moscow in 1978 and given responsibility for all Soviet agriculture by the Central Committee of the Communist party. Certainly he must have been aware of the inefficiencies of Soviet agriculture. In addition, by the time he assumed the post of General Secretary in March, 1985, Gorbachev could already see the successful example of the Chinese, who had been reaping the fruits of their new agricultural initiatives since 1978.

Initially, at least, Gorbachev chose to ignore the Chinese experience just because it was Chinese. The Soviets view themselves as the leaders and innovators of the Communist world, and it would have been demeaning for them to copy what they regarded as a junior member of that fraternity. In addition, Gorbachev apparently did not believe it was necessary to introduce new measures in agriculture, because agricultural policy in the Soviet Union had just been revised. Indeed, in the late 1970's and early 1980's, the Soviet Union had introduced a new agricultural program. While Gorbachev was apparently uncomfortable with some important aspects of that new program, other aspects were regarded at the time as innovative.

One example of what seemed to be Gorbachev's handiwork was RAPO (the Regional Agricultural

Industrial Organization). RAPO agencies were organized in 1982 all over the Soviet Union. They were patterned after agri-business units like Cargill, General Mills and Ralston Purina, which had been so successful in the United States. Traditionally, the Soviet Union has found itself unable to move its harvested crops from the fields to the food processing industries and then on to the foodstore shelves. It seemed to make sense, therefore, to link industrial food processing with the farms. Presumably these new RAPO's would create incentives and mechanisms for reducing if not eliminating crop wastage.

This resort to the big and the industrial was typical of the Soviet approach to problems and was in many ways a good example of the Russian mania for size and reliance on industry; the bigger the better, the more machinery involved the more impressive. The Russians have always assumed that large-scale industrialization is the mark of a powerful industrial leader. The Russians came to call this *gigantimania*. The larger the scale and the more mechanized the better. If something is small, it is inferior. Texans often have a similar attitude.

Given this predisposition, it is no wonder that Gorbachev began his reform process in 1985 by stressing the need to modernize the machine tool industry. His "intensification process" was his main priority. More modern and more productive machine tools would restore the Soviet Union to the ranks of the world industrial powers. This could be accomplished with more discipline, less drunkenness and a careful mixture of a little more centralization and some decentralization.

Appropriately enough, in the first few months of the Gorbachev era, industrial output seemed to respond to Gorbachev's call for harder work. The rate of growth of industrial production seemed to increase compared with the growth rate of the last few months of the era of Konstantin Chernenko, Gorbachev's predecessor. But after that early promise, the rate of economic growth diminished, and eventually it declined so that the rate of growth of national income in 1986 and 1987 lagged behind that of the late 1970's and early 1980's, an era now called "the stagnation years."¹

The decline of the rate of growth was a consequence of the fact that the initial enthusiasm for Gorbachev's ambitious plans had apparently turned to hesitancy and then cynicism. This was because the initial increase in work effort, discipline and productivity was not matched by corresponding improvements in the availability of consumer goods, especially food. In fact, by 1987, sales of potatoes and vegetables fell below sales in 1986.

¹*Pravda*, June 30, 1988, p. 3.

²*The New York Times*, July 1, 1988.

In addition, sugar seemed to disappear, and sugar rationing had to be imposed in many cities outside Moscow. Because Gorbachev imposed a curb on the sale of vodka, more and more drinkers found it necessary to turn to moonshiners and the moonshiners need sugar to distill their product. So from the consumer's point of view, conditions had actually deteriorated. Under President Leonid Brezhnev, at least there had been sugar. As one speaker at the special nineteenth party conference in June, 1988, complained, "The workers ask 'Where is perestroika?'" Except for the addition of sugar rationing coupons, food is as scarce as it has been for a long time.²

No wonder the workers work at less than their capacity. As some Soviet critics have put it, "As long as the state *pretends* to pay the workers by giving them rubles, they are unable to purchase much of value in the store, and the workers still *pretend* to work."

FOOD AND ATTITUDES

Presumably, worker attitudes would be different if there were more goods on the shelves. That is why Gorbachev's failure to begin with agricultural decentralization and the breakup of the collective farms (as China's leader did) was such a mistake. Gorbachev, like most Western specialists, assumed that the RAPO's would solve his problem. In fact, there was a modest increase in the grain harvest. However, the complaints about the unavailability of food indicate that the RAPO's have had little impact on facilitating the flow of food products to store shelves, especially the foods most valued by consumers—meat and vegetables.

If anything, once Gorbachev began to institute a more radical change in the countryside, the RAPO's impeded his agricultural revitalization. As the RAPO's grew in number, size and authority, they developed a vested interest in the status quo. Like bureaucrats everywhere, RAPO officials have not been particularly enthusiastic about self-destruction or the diminution of their powers. Thus, instead of accelerating the pace of agricultural reorganization, the RAPO's slowed it. To date, RAPO staffs are doing all they can to discourage peasants from breaking out of the collective farms and setting up their own private and cooperative farming operations.

Increasing cynicism is not the only reason why Soviet output has increased so little. The process of reorganization itself complicates and confuses the effort. As Gorbachev moves to consolidate and abolish ministry and subsidiary organizations, there is often confusion as to just who, if anyone, is to inherit the functions once performed by the now defunct organization. Thus, when asked what he

thought about the abolition of the Ministry of Foreign Trade in early 1988, Abel Aganbegian, one of Gorbachev's senior economic advisers, complained that it was a terrible mistake because nothing had been done to arrange for the reassignment of duties.

There were similar complaints about Gorbachev's decision to consolidate six ministries that had previously dealt with agriculture and to form one superministry, called Gosagroprom, in their place. Gosagroprom was subsequently blamed for many of the shortcomings in agriculture. No one knows who is responsible for what. Chaos has become so widespread that Gosagroprom has become a laughing matter.

Muscovites insist, for example, that during one of the Reagan-Gorbachev summit meetings, their bodyguards decided to have a get-together while waiting for the talks to end. After one drink too many, the Soviet secret police (KGB) man challenged his United States Central Intelligence Agency (CIA) counterpart, "Admit it, you caused the Chernobyl catastrophe, didn't you!" "No, no!" protested the man from the CIA. "Well then, you must have arranged for Mathias Rust to fly his German Cessna into Red Square. How else could he have avoided our radar?" "No! no!" again responded the American. "Well, what have you done?" demanded the KGB agent. Smiling, the CIA man responded, "Gosagroprom—that's ours."

Gorbachev's effort has also suffered from a lack of focus. Gorbachev knows that he wants to revitalize the economy, but he has no blueprint yet. In effect, he is learning by doing. He deserves credit for being flexible, but the periodic shifts in what constitutes the reform do nothing to eliminate the confusion caused by the reform process. Even now it is not clear what the Soviet Union will look like when the reforms are completed. Gorbachev has called for an increase in the powers of the enterprise manager, but he has also indicated that Gosplan and some ministries will continue to exist. Ideally, the ministries and Gosplan will function as thinktanks on the order of MITI (the Ministry of International Trade and Industry) in Japan. They are not supposed to interfere in day-to-day activities. However, the odds are that the ministries will retain their powers if similar efforts to reduce ministerial powers in countries like Hungary are any indication. Even if they cannot sign written plans for the enterprise, the ministers, as long as they continue to exist, still have access to the telephone.

The best example of how the process of reform can be thwarted is what has happened to the Enterprise Law. Passed on June 30, 1987, the new law was designed to free the enterprise from the tutelage of the ministries. Among other changes, the enterprise was to become economically self-sufficient. It would no longer be able to count on a subsidy from the ministry when operations became unprofitable. The enterprise would also have a greater voice in the disposition of profits. In the future, the enterprise would look less to the ministries and Gosplan for orders about what to produce. Instead, more and more of its orders would come from contracts negotiated and signed with the customers directly. When a ministry or Gosplan wanted something produced, instead of assigning allotments and plan targets, the ministry and Gosplan would henceforth have to issue a state order (*goszakaz*), which would then be added to the other contracts secured by the enterprise. These goods would be sold at lower prices, but they would constitute a small portion of the total output. The initial goal was to limit state orders to 50 to 70 percent of the enterprises' output, reducing that percentage in the following years.³

However, fearful that they might lose control, the ministries began to demand about 80 percent of the average enterprise output. Some ministries have been issuing *goszakazy* for up to 103 percent of a firm's output.⁴ It has now been publicly acknowledged that the ministries have effectively sabotaged what was originally considered to be the key regulation of Gorbachev's reform process.⁵

A somewhat similar fate seems to have befallen the Law on Cooperatives. The first formal statute of support for the cooperative form of organization was issued by the Politburo in February, 1987. Under this and subsequent legislation, entrepreneurs were encouraged to establish their own businesses free of the state planning system. These cooperatives could hire and fire employees and keep their own profits. The legalization of the cooperatives predated the law authorizing private business that became effective on May 1, 1987. But unlike the cooperatives, private businessmen were not authorized to hire anyone other than members of their own families.

Opening a cooperative venture, however, is more often than not a complicated matter. In principle and according to the law, all that the cooperative partners had to do was to register with the local government body. But many government units interpreted this to mean that they had the power to grant or withhold permission. If nothing else, the cooperative and private business ventures had to find space. This is no trivial matter, since the state controls all land and buildings and since most Soviet cities have a severe shortage of housing and

³*Pravda*, August 18, 1987, p. 2.

⁴*Moscow News*, no. 4 (1988), p. 4; *Izvestia*, December 29, 1987, p. 2.

⁵*Pravda*, June 30, 1988, p. 5.

offices. In addition, most new entities must have access to raw materials or components. Here again, government consent is important. In every instance, reliance on the state may lead to extortion.

Regardless of the hurdles involved and because of market disequilibrium, enormous profit opportunities beckoned. After all, consumer needs had been downgraded for several decades, which meant that there were probably big appetites for goods. Not surprisingly, therefore, some of the new enterprises became rich, literally overnight. A typical example was the cooperative in Moldavia that set out to make pantyhose. In four months' time the cooperative earned 20,000 rubles, about a thousand times the average monthly wage. In fact, it made so much money that the owners began to fear arrest for illegal activities. To avoid this, they voluntarily closed down the cooperative "just in case."⁶

Nor were they the only ones to worry about public criticism.⁷ After years of hearing criticism about income inequality, it is hard for the Soviet people to switch value judgments and applaud efforts to "get rich fast." During a recent conversation in his restaurant, Kropotkinskaya 36, Andrei A. Fedorov, the leading partner of the first cooperative restaurant to open in Moscow, acknowledged to me that each day he receives about 10 unsolicited letters about his new cooperative. On average, 80 percent of them are critical of what they see as his perversion of the socialist ideal. Since many of these letters are from older people who lived through the Stalinist years, Fedorov says he can understand their inability to accept a return to private and cooperative business ventures. What shocks him, however, is the reaction to the lectures he gives at Moscow State University. There, among the students, the resentment is almost universal. Regardless of whether or not Fedorov works harder or longer or takes more risks than the students will when they graduate, the students refuse to accept the notion that Fedorov can legitimately earn four times more than they will earn.

Such a change is particularly hard for the Russian segment of the Soviet population to understand, because small private business was never an important part of Russian culture. That helps to explain why private and cooperative business seems to be developing faster in the minority republics surrounding the Russian republic.

Recognizing the hostility toward private and cooperative activities, Gorbachev has made a special effort to convince the Soviet people that their hostility is no longer appropriate. But that is not easy to do. Whether it is an inheritance of the prerevolutionary past or a by-product of 70 years of Com-

munist rhetoric, there continues to be a very hostile feeling in the Soviet Union about income inequality. It was not altogether surprising, therefore, when it was announced that the Supreme Soviet (the governing body of the Soviet Union) had passed a law imposing a marginal tax on cooperative owners and private businessmen that begins at 30 percent of their income but quickly reaches 90 percent. This tax, the initiative of the conservative Ministry of Finance, would have the effect of stifling private and cooperative activity. Indeed, even the report that the tax had been passed had an impact. That is why the economist Nikolai Shmelev was so distressed. As he saw it, this law was a skillful effort by conservatives to sabotage the move away from government central planning. Many others felt the same way; thus in a move with few precedents, the Supreme Soviet agreed to reconsider its initial decision and contemplate a lower tax rate, perhaps between 40 percent and 50 percent.

Conservative concerns that have restricted the growth of private and cooperative enterprises have also had an impact on the formation of joint ventures with foreign businessmen. Fearing that critics would complain that the legalization of joint ventures would open the door to capitalist exploitation, Soviet bureaucrats have so far continued to insist that foreign partners in Soviet joint ventures be limited to 49 percent of the ownership. In addition, they have decreed that profits can normally be repatriated only if joint ventures generate convertible currency, usually through exports. Admittedly, the fact that joint ventures have been authorized at all represents a bold break with traditional ideological constraints. But the continuing constraints account in large part for the fact that, as of this writing, fewer than 60 joint ventures have been negotiated. This paucity of joint ventures stands in sharp contrast to China, where there are over 10,000 joint ventures and where there is no limit on the share of ownership that a foreign partner may have.

THE PROBLEM OF IMPLEMENTATION

Whatever his problems in satisfying conservative ideologues about innovations in the Soviet economy, Gorbachev has an even bigger problem in trying to implement the changes. He is having trouble trying to decide where to begin and, for that matter, whether he should do everything at once.

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⁶*Trud*, April 24, 1988, p. 1.

⁷*Izvestia*, December 12, 1988, p. 5.

"By opening up Soviet politics, Gorbachev has unleashed forces in Soviet society beyond his comprehension or control. Democratization brings with it with the danger that the strong forces of society will penetrate deeply into the Communist party, splintering it into nationally based or ideologically based factions."

Political Reform and Soviet Society

BY MARK R. BEISSINGER

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THE Soviet Union is witnessing a spectacular transformation in 1988. Contrary to the predictions of most Western experts, the Soviet leadership has embraced radical political and economic reform. The radical character of the changes taking place in the Soviet Union should in no way be understated. The bureaucratic economy is slowly being dismantled. General Secretary Mikhail Gorbachev's campaign of glasnost (openness) has established a good measure of freedom of expression. Even Soviet dissident Andrei Sakharov, released only two years ago from exile in the city of Gorki, recently enjoyed government facilities for holding a press conference with foreign journalists.

At the special nineteenth party conference in June, 1988, the Communist party supported a major reorganization of the political system, including the use of competitive, secret-ballot elections to fill major posts in the party and state bureaucracies. That same meeting approved the construction of a monument in Moscow to the victims of Stalinist oppression—a cause for which Soviet dissidents had been arrested not so long before.

Three years ago not even the most daring observer would have suggested that such radical shifts in Kremlin policies were possible; yet this relatively short period has seen a convulsion whose pace, scope and significance rival those of the Russian Revolution or Stalin's revolution from above of forced industrialization and collectivization.

It is often said that reform is the most difficult task in politics. A radical transformation of the sort that has already taken place in Soviet politics would present serious challenges for any political system. In the Soviet case, these challenges are complicated by the multinational composition of Soviet society, the educated character of its populace, an administrative system that has repeatedly frustrated attempts at change, and a political system whose strength has traditionally been derived from its ability to order rather than to listen. The key question facing the Soviet Union today is no longer whether or not there will be reform. In spite of opposition,

reform is proceeding and is likely to continue. Rather, the key issue is the effects of those reforms. Will historians in the year 2010 view the Gorbachev reforms as having strengthened the Soviet system by creating an increasingly open and productive society? Or will Gorbachev's reforms be judged in much the same way that Czar Alexander II's reforms are judged today, as moves leading to an explosion of political forces that cannot be contained and as the beginning of the dismantlement of the Soviet system of government?

THE LOGIC OF RADICAL REFORM

Gorbachev's reform program has been radicalized considerably over the past three and one-half years. In part, this has been the result of his growing political power and the logic of reform. Reform is a "slippery slope." It has no boundaries; successful change in one sphere of social life often requires alterations in other spheres. Moreover, satisfying one demand quickly leads to the emergence of further demands. The logic of reform has led Gorbachev down a seemingly endless path of ever more radical measures.

Before becoming General Secretary, Gorbachev demonstrated a predisposition for reformist thought. But it would be difficult to maintain that he came to power with more than an inclination for reform. In his first two years in office, Gorbachev and his supporters developed these inclinations into an initial policy platform. But this policy platform evolved in the face of new circumstances and difficulties. As Gorbachev observed at the nineteenth party conference,

we underestimated the entire depth and weight of deformation and stagnation of the past years. . . . Much we simply did not know and see only now: the neglect of affairs in various spheres of the economy turned out to be more serious than was at first imagined.¹

In 1985 and 1986, Gorbachev articulated a program of moderate reform, with emphasis on investment in machinebuilding, structural reorganization

¹*Pravda*, June 29, 1988, p. 2.

of the economy, and scientific-technological innovation. But by the end of 1986, Gorbachev and his followers had come to the conclusion, later expressed by Gorbachev, that "restructuring in the economy will not work unless it is implemented in coordination with all other spheres of our society — above all, the spiritual and political."²

In the absence of far-reaching political change the Soviet leadership faced another round of ineffectual and failed reforms like Premier Aleksei Kosygin's reforms of the mid-1960's. A major turning point came at the January, 1987, Central Committee Plenum, when Gorbachev articulated the new policy establishing "democratization" as a precondition for successful economic reform. As he later described the choices facing the party, "It is either democracy, or social inertia and conservatism; there is no other way, comrades."³

Since then, barrier after barrier in political life has fallen. In autumn, 1986, glasnost first expressed itself in what now appear to have been timid exposures of social problems. By the summer of 1988, it had mushroomed into blaring indictments of Stalinism, calls for a multiparty system and even criticisms of Lenin himself. Demonstrations rock the country almost daily, and although dissidents are still occasionally harassed, fear of arrest for political activity has, for all practical purposes, dissipated.

But without far-reaching changes in political institutions, glasnost was a dangerously destabilizing policy, for it encouraged greater political activism without providing channels through which problems could be resolved. Thus, the logic of democratization led Gorbachev and his followers still further down the path of reform. It is not surprising that in the course of this evolution, the Soviet leadership grew increasingly divided over the pace and purposes of reform.

THREATS FROM THE RIGHT AND LEFT

In the area of leadership politics, the past year has been the most tumultuous since the ouster of First Secretary Nikita Khrushchev in October, 1964. Gorbachev has lurched from one political crisis to the next, each reflecting the contradictions and ambiguities involved in his democratization program. That program has accelerated divisions within the ruling elite, lending a high degree of instability to Soviet leadership politics.

²*Pravda*, July 15, 1987, p. 1.

³*Pravda*, February 26, 1987, p. 2.

⁴*Pravda*, February 18, 1988, p. 1.

⁵For the text of the letter, see *Sovetskaya Rossia*, March 13, 1988, p. 3.

⁶*Pravda*, April 5, 1988, p. 2.

The first leadership crisis confronted by Gorbachev was the Yeltsin affair. At the October, 1987, Central Committee Plenum, Moscow party chief Boris Yeltsin criticized Gorbachev for appeasing conservatives within the leadership and for too slow a pace of change. Yeltsin's personality—in particular, his impatience and boldness—were all factors leading him into opposition. But his concern over the power of the conservatives represented forces deeper than his personality; large numbers of intellectuals and students, in Moscow and in Yeltsin's home base of Sverdlovsk, protested his ouster, seeing in it a victory for opponents of reform. Yeltsin had been a Gorbachev supporter. His erstwhile sponsor was forced to cut him loose, not so much because of differences in goals, but because of Yeltsin's desire, in Gorbachev's words, "to skip over stages in socialist development, ignoring the logic of restructuring."⁴

The Yeltsin affair occurred at the very moment when Gorbachev was preparing the rehabilitation of Nikolai Bukharin, leader of the Right Opposition in the 1920's and a far-reaching critic of Stalinism. Yet to many Soviet intellectuals, the rush to heap criticism on Yeltsin in the wake of his removal smacked of Stalinist methods. Symbolic of the limits of reform, Yeltsin's speech has never been published in the Soviet Union. Nevertheless, in a dramatic display of glasnost, Yeltsin was elected a delegate to the nineteenth party conference and was allowed to address the meeting. He was immediately chastised for his fractious behavior.

The second major crisis in the leadership occurred six months later, in March, 1988, while Gorbachev was on an official visit to Yugoslavia. The newspaper *Sovetskaya Rossia* published a letter (supposedly written by Nina Andreeva, a Leningrad chemistry teacher, but actually penned by employees of the Central Committee apparatus) complaining that criticism of Stalin had gone too far, berating Gorbachev's democratization campaign for destabilizing Soviet society, and hinting that "camouflaged cosmopolitan tendencies" (a code word for Jews) and "left-liberal" intellectuals had captured the state.⁵

Printed without commentary and publicly praised by Central Committee Secretary Yegor Ligachev, leader of the conservative faction in the Politburo, the article was regarded by many observers as a sign of an impending reversal of Gorbachev's policy of openness. Three weeks passed before *Pravda* responded;⁶ it accused the authors of publishing an "antirestructuring manifesto" and of "looking for the roots of antisocialist sentiments in people's genes." Subsequently, there was a recantation by *Sovetskaya Rossia* and a discussion in the press about the danger to reform posed by the negative

opinions of the conservatives.

These flashes of lightning were only reflections of the storm brewing within the leadership over Gorbachev's democratization program. In this instance, Gorbachev emerged victorious. The leadership took great pains to squelch rumors of Ligachev's imminent political demise. Nevertheless, Ligachev's standing was badly shaken. Gorbachev had successfully defended his programs against conservative critics in the Politburo.

Gorbachev's victory in the Andreeva affair, however, did not end the power of the conservatives entirely. The selection of delegates to the nineteenth party conference lay in the hands of the regional party apparatus, where supporters of the conservatives were concentrated. As a result, a significant number of prominent intellectual supporters of Gorbachev were not selected as delegates. In several provinces, there were public demonstrations protesting the closed nature of the selection process. Part of the rationale for convening the nineteenth party conference was to effect major changes in the composition of the Central Committee and to boost Gorbachev's consolidation of power. At a similar party conference in Hungary in May, 1988, 35 percent of the members of the Central Committee and 62 percent of the members of the Politburo were replaced. In contrast, there were no changes in the Soviet leadership or the Central Committee at the nineteenth party conference. Gorbachev's inability to assert control over the delegate selection process frustrated his efforts to effect personnel changes.

Gorbachev's conservative critics are still a major political force. Within the Politburo, they include not only Ligachev, but also Soviet President Andrei Gromyko, KGB (state security) Chairman Viktor Chebrikov, Ukrainian First Secretary Vladimir Shcherbitski, and Party Control Committee Chairman Mikhail Solomentsev. Nevertheless, the conservative force was weakened by the Andreeva affair, and some delegates to the nineteenth party conference called openly for the resignation of several conservatives, including Gromyko and Solomentsev. Most observers interpret the conference's proposal to create a powerful new post of President (presumably to be occupied by Gorbachev) as Gorbachev's attempt to remove Gromyko and to consolidate his own power.

The radical alterations in Soviet government that were approved by the nineteenth party conference should be seen as a victory for the reformists, but a victory obtained at a price. A number of measures contradicted other measures—the result of fighting within the party. Although the influence of the party apparatus in economic decision-making is to be

eliminated, local party leaders are simultaneously to head local governments, in effect merging party and state bureaucracies and increasing the power of the party apparatus. More power was given to legislatures at the local and national levels.

But at the national level, legislators will not be elected directly. A Congress of Soviets, only two-thirds of which will be elected in competitive elections, will choose a legislature, in effect placing ultimate control over the legislature in the hands of the central party apparatus. At the local level, competitive elections must still take place within the confines of the *nomenklatura* system, which gives party organs the right to fill certain posts. Institutional anomalies like these raise questions not only about the extent of Gorbachev's power, but also about the coherence of the new institutions he is creating and their capacity to perform their missions.

BUREAUCRATIC SABOTAGE

The centerpiece of Gorbachev's radical reforms is his economic program. It aims at dissolving the hierarchical discipline that has served as the basis of Soviet imperative planning and replacing it with new mechanisms based on market principles. The vision of the reformers is a three-level economy involving autonomous state enterprises, independent cooperatives and small-scale private enterprise.

If successful, economic reforms would constitute a radical transformation of the Soviet economic environment. But so far they have met fierce bureaucratic resistance, leading, in Gorbachev's words, in the direction of "the derailment of the new economic mechanism." In most cases, bureaucratic resistance has been the result of the institutional inconsistencies of the reforms, which place executives under the strain of contradictory directives.

Gorbachev also accused economic executives of consciously attempting to sabotage reform by "filling the new forms of management with old content" and "preserving command-administrative methods."⁷ Gorbachev and his followers perceive bureaucracy as the main enemy of their revolution. It is an enemy, however, that is as ubiquitous in Soviet society as it is invisible, a spirit that is as difficult to apprehend as it is to exorcise. What appears to Soviet leaders to be the conscious sabotage of individual bureaucrats is, in fact, only the logic of a system that has repeatedly frustrated attempts at reform in the past.

Efforts to create cooperative and private enterprises have encountered similar snags and red tape. By April, 1988, nearly 14,000 cooperatives, encompassing the work of 150,000 people, had begun operations. However, they accounted for only a minuscule proportion of economic activity in the consumer sector: 0.03 percent of the total produc-

⁷*Pravda*, June 29, 1988, p. 2.

tion of consumer goods and 0.5 percent of the volume of marketed consumer services.⁸ Both cooperatives and private enterprises have had enormous difficulties obtaining licenses, finding office space and obtaining needed supplies. Since these enterprises deal with scarce goods and services, they charge astronomical prices, generating considerable popular animosity and causing the regime to charge them hefty taxes.

In this situation, the Soviet economy is unlikely to experience a rapid turnaround. Even Gorbachev's top economic advisers to not expect the reforms to reap significant payoffs for at least another three years. The population now finds itself in the uncomfortable position of being exhorted to work harder while receiving promises in place of tangible benefits. The availability of foodstuffs has actually worsened. In a number of cases, the implementation of economic reform has been accompanied by the outbreak of strikes.

As is the case in Poland, the regime has been reticent to introduce a new price system, fearing that it might spark labor and consumer unrest. Yet without price reform, it is doubtful that the specter of bureaucratism can be defeated. Ironically, the direct political fallout from failed reform would be less exacting than the fallout from successful reform. Successful economic reform would lead to greater differentiation in Soviet society, including lower salaries for some workers. It would also lead to an explosion of popular expectations that would be as difficult to contain as it would be to satisfy.

SOCIETY OUT OF CONTROL?

Perhaps the most fascinating element of Gorbachev's revolution has occurred far beyond the walls of the Kremlin: the reemergence of the autonomy of Soviet society. Stalinist socialism attempted to mold society in a utopian image, exhausting the spiritual and productive capacities of the population in the process.⁹ By contrast, Gorbachevian socialism has tried to come to grips with society on its own terms in order to reawaken the creative energies of the people and to mobilize a constituency for change. The main challenges this conception faces are the multinational complexion of Soviet society and the political activism of the Soviet intelligentsia.

⁸See John Tedstrom, "Soviet Cooperatives: A Difficult Road to Legitimacy," *Radio Free Europe/Radio Liberty Research Reports*, RL 224/18 (May 31, 1988), p. 2.

⁹See Robert C. Tucker, "Swollen State, Spent Society: Stalin's Legacy to Brezhnev's Russia," *Foreign Affairs*, vol. 60, no. 2 (Winter, 1981-1982), pp. 414-435.

¹⁰See Myron Weiner, "Political Participation: Crisis of the Political Process," in Leonard Binder et al., *Crises and Sequences in Political Development* (Princeton, N.J.: Princeton University Press, 1971), pp. 160 and 182.

The Soviet Union is the geographic and spiritual heir to the Russian empire, which Karl Marx once referred to as "the prisonhouse of nations." It is fantasy to believe that a society founded on involuntary union can be successfully integrated on the basis of openness and pluralism. As the British learned long ago, empire and openness do not mix. De-Stalinization inevitably raises most uncomfortable questions about the less than voluntary origins of the Soviet empire, Joseph Stalin's most enduring legacy. When Stalin is criticized for the excesses of collectivization and the purges, it is impossible to ignore his role in suppressing independence in the Caucasus, his 1939 pact with Hitler's Germany annexing the Baltic states and Moldavia, and his suppression of national cultures and the elevation of the Russians to the role of "elder brothers." De-Stalinization is corrosive of empire. If openness continues, its ultimate price will be the need to rethink the entire ethnic basis of the Soviet state.

That process is likely to be painful. Worldwide experience shows that, in multiethnic societies, sudden increases in levels of political participation have a disintegrating effect on politics.¹⁰ In the Soviet context, glasnost has encouraged the growth of nationalist sentiments among Russians and non-Russians, brought about the rise of extremist nationalist groups, and contributed to the outbreak of nationalist demonstrations in nearly all union republics. The most serious challenges Gorbachev has faced have come not from other members of the Politburo or from the bureaucracy, but rather in the streets of Yerevan, Sumgait, Tallin, Riga, Alma-Ata and Moscow.

Crises like this are likely to continue. They should not, however, be understood as necessarily undermining change. It is true that they feed instability in the leadership and complicate Gorbachev's consolidation of power. But crises can be a catalyst for more far-reaching institutional changes than political leaders would otherwise contemplate. If the Soviet state is to enjoy openness and political stability and still remain multinational, institutional change far beyond the changes contemplated by Gorbachev and his advisers will be necessary.

ONE-PARTY DEMOCRACY?

The second challenge facing Gorbachev is the in-

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Allow us a free art and literature . . . allow us philosophical, ethical, economic and social studies, and you will see what a rich harvest it brings and how it bears fruit—for the good of Russia. . . .

What have you to fear? Is the idea really so terrible? Are you really so unsure of yourselves?

—Aleksandr I. Solzhenitsyn, *Letter to the Soviet Leaders* (1974).

Soviet Glasnost: Definitions and Dimensions

BY DAVID E. POWELL

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GLASNOST—the term is variously rendered in English as “openness,” “candor,” or “publicity”—is one of the most exciting dimensions of the revolution that General Secretary Mikhail Gorbachev has brought to the Soviet Union. Glasnost has permitted, even encouraged, a freer discussion in the Soviet press of controversial ideas; the release of novels, films, paintings and other works by Soviet, pre-revolutionary Russian emigré and foreign artists; and the acknowledgment by the authorities in Moscow and elsewhere of sharp conflicts of interest among population groups that traditionally have been depicted as monolithic, friendly and happy. It is as if Marxist analysis had been applied to the world’s first socialist society—and revealed the existence of class conflict, exploitation, a *lumpenproletariat*, drug abuse and many other phenomena usually associated with “rotten bourgeois democracies.”

Still, it is difficult to say precisely what glasnost is and what it is not, where its boundaries lie, whether it is regarded as an end in itself or as an instrument to promote political, economic and social change. One thing, however, is clear: glasnost most assuredly is not what Americans would understand as freedom of speech or freedom of the press. Nor is it a manifestation of Montesquieu’s or Thomas Jefferson’s notion of popular sovereignty and limited government. Greater candor in the mass media and/or intellectual life may be a prerequisite for democracy and freedom, but it is only a step in that direction. Soviet officials are careful to present glasnost as part of the democratization (*demokratizatsia*) of their system, rather than as a sign of its transformation into a democracy (*demokratia*).

Gorbachev himself is not always clear about the distinction between glasnost in the Soviet Union and traditional Western interpretations of “freedom of information.” On the one hand, he announced to

a Central Committee Plenum in January, 1987, “We need democracy as much as we need air.” The Communist party of the Soviet Union (CPSU), he went on, “is firm in its conviction that the people should know everything. Openness, criticism and self-criticism, and control carried out by the masses will guarantee the healthy development of our society. . . .”¹ A month later, the General Secretary referred to glasnost as “an indispensable precondition for the democratization of society, one of the most important guarantees that the changes we have begun will be irreversible.”²

DEMOCRATIC CONCEPTIONS

On the other hand, Gorbachev’s conceptions of democracy and openness are not so different from those of his predecessors. He spoke with pride of the “perceptible changes” that had taken place in the relationship between governors and governed. “So-called ‘forbidden subjects’ for criticism and control are becoming a thing of the past,” he told the plenum.³ Nevertheless, Gorbachev made it clear that criticism must be constructive if it is to be tolerated, that certain kinds of remarks, delivered for certain kinds of reasons, would continue to be proscribed. As Gorbachev put it in July, 1987, glasnost involves “criticism of shortcomings.” But “it may not undermine socialism [or] our socialist values,” he added.⁴ Speaking to the country’s principal ideologists six months later, Gorbachev reminded them that glasnost was to be encouraged, but only if it “serves the interests of socialism.”⁵

Is this different from the approach enshrined in the Stalin Constitution of 1936, which guaranteed “freedom of the press,” “freedom of speech,” and so on—but only insofar as these freedoms conformed to “the interests of the working people” or would “strengthen the socialist system” (Article 125)? Nor is the formula put forward in early 1988 by the scholar Antoli Butenko very different from Stalin’s ideal formula. According to Butenko, the expression “the interests of socialism” must be defined in ways that will safeguard the political system. The

¹M.S. Gorbachev, *O perestroike i kadrovoi politike parti. Materialy Plenuma Tsentralnogo Komiteta KPSS* (Moscow, 1987).

²*Pravda*, February 14, 1987.

³Gorbachev, op. cit.

term, he wrote, "must be defined broadly enough to allow us to repel any attempt to use our democracy and our glasnost against socialism [or] in the interests of our class enemies."⁶

Furthermore, speeches by prominent leaders of the country still remain unpublished, appear only after a delay of several days, or are presented in bowdlerized form. For example, although the General Secretary addressed representatives of the Soviet "mass media, ideological institutions, and creative unions" (e.g., the Union of Writers and the Union of Cinematographers) on July 10, 1987, it was not until July 15 that his statement was presented to the public—and then only in abridged form. Six months later a similar incident occurred when Gorbachev spoke to a group of "ideological workers." His January 8, 1988, speech was not published until four days later, and then it too appeared only in an abridged version.⁷

Of course, this is not a new development: the remarks of Soviet leaders Nikita Khrushchev and Leonid Brezhnev (especially the former, who often spoke impulsively and crudely) were edited at times before being printed in *Pravda* or *Izvestia*. Even the writings of Lenin and Stalin have been carefully edited to exclude "awkward remarks." In theory, glasnost should have helped to eliminate this outdated practice. Censorship, no less than rigid central planning, is classified as one of the "old ways of thinking," no longer necessary or appropriate. But it still exists: the Soviet people continue to have restricted access to speeches (as well as to articles, interviews, and so on) by political figures, scientists, scholars or members of the cultural elite.

A particularly noteworthy example of "selective exposure" took place in March, 1988, when Yuri Baturin of the Academy of Sciences' Institute of State and Law was interviewed by the Japanese newspaper *Asahi Shimbun*. The discussion, published in full in the Tokyo newspaper, has never appeared in the Soviet media. This is especially striking, since the subject of Baturin's remarks was the draft being drawn up of a new law on glasnost. The statute, which was supposed to be unveiled in 1986, was intended to illuminate the principles, rationale

and boundaries surrounding "openness," as well as to give it some sort of legal, perhaps even permanent, standing.⁸

Announcing that the draft would be made available for public debate sometime in 1988, Baturin was careful to list the kinds of information that would remain inaccessible to the population as a whole. These included "state secrets," medical and other "personal" records, "war propaganda," materials that encouraged racial or ethnic hatred and "pornography."⁹ While these various exceptions to the general rule of candor might seem reasonable at first glance, it should be noted that there is very little about them that is new. In fact, they are virtually identical to the items contained in the 1931 law on censorship, i.e., the legal underpinning of a half-century of pervasive press controls.¹⁰

The possibility that Baturin's formulations represent some sort of shift in priorities cannot be excluded, however. He asserted that the law was designed to apply only to "state" or "government" institutions, not to so-called "public" organizations. This would mean that the CPSU, the Komsomol (Young Communist League), and similar bodies would be left alone and allowed to use their own discretion. The state would no longer have legal authority "to impose the freedom of information act on them."¹¹

DIMENSIONS OF GLASNOST

For Western observers, glasnost has provided a fascinating opportunity to learn more about the Soviet past and present. Today, we have a chance to see that which official censorship and propaganda formerly kept invisible or, at best, unclear. Furthermore, openness has given rise to new developments in Soviet politics, economics and society, while simultaneously clarifying older patterns. Since the revelations and transformations have come in such large numbers and in such a wide range of areas, it might be useful simply to outline the dimensions of glasnost while offering only a few examples of each kind of change.

First, various forms of social pathology, whose existence in the Soviet Union had been denied or whose true dimensions had been concealed, are now discussed far more candidly. To be sure, crime, alcohol abuse, corruption and various other "vestiges of the past" had received attention in the mass media and scholarly publications before Gorbachev's arrival at the Kremlin. And it had long been a feature of Soviet politics to criticize existing realities through the press. Indeed, it was commonplace to blame groups of officials—present and past—for everything that went wrong.

Similarly, Khrushchev derived great benefit from reviling Stalin, as Brezhnev did from castigating Khrushchev. Today's practice of attributing

⁴*Pravda*, July 15, 1987.

⁵*Ibid.*, January 13, 1988.

⁶*Sovetskaya Latvija*, January 31, 1988. For a skeptical (but persuasive) analysis of Gorbachev's "candor," see Natalie Gross, "Glasnost: Roots and Practice," in *Problems of Communism*, vol. 36, no. 6 (November–December, 1987).

⁷See "Soviet Journalists Are Given New Instructions," *Radio Liberty Research*, RL 19/88 (January 13, 1988).

⁸Viktor Yasmann, "Law on Glasnost in Preparation," *Radio Liberty Research*, RL 151/88 (April 13, 1988).

⁹*Ibid.*

¹⁰See L. G. Fogelevich, *Osnovnye direktivy i zakonodatel'stvo o pechati* (Moscow, 1935).

¹¹Yasmann, *op. cit.*

current problems to the "period of stagnation" (*zastoi*) under Brezhnev is the functional equivalent of Khrushchev's condemnation of "the cult of personality" under Stalin. Each leader seems determined to exculpate himself by implicating and "unmasking" his predecessor or predecessors.

Recently, however, readers have been treated to a veritable orgy of articles, films and broadcasts regarding drug addiction, sexually transmitted diseases, prostitution, homelessness, inflation, unemployment, groups of professional criminals (the word "Mafia" is often used, and not in an ironic sense), draft-dodging, pacifism, police brutality, and a host of other phenomena that were allegedly alien to socialist society.¹² Data regarding topics like infant mortality, life expectancy and venereal disease—information that had been suppressed for many years because it was deemed embarrassing—may once again be found in statistical handbooks and journals.¹³ In addition, protest marches, demonstrations, and even race riots are now presented as "normal" items for news coverage. Public health officials decry the poor quality of medical care; those in charge of this sector compare the country's performance to that of certain third world states.¹⁴ Gigantic construction projects, formerly the subject of praise and inspirational articles, are now revealed to have been a waste of time and money.¹⁵

¹²See, e.g., *Sotsiologicheskie issledovaniia*, no. 6 (1987); *Trud*, July 31, 1987; *Meditsinskaya gazeta*, October 16, 1987 and December 16, 1987; *Izvestia*, February 21, 1988; *Literaturnaya gazeta*, May 28, 1986, and July 22, 1987.

¹³See *Narodnoe khoziaistvo SSR za 70 let* (Moscow, 1988); *Sovetskoe zdoravookhranenie*, no. 12 (1987) and no. 2 (1988). For a discussion of the reappearance of these data, see *Moskovskie novosti*, March 13, 1988.

¹⁴*Literaturnaya gazeta*, April 15, 1987; *Trud*, May 6, 1988.

¹⁵*Ognek*, no. 1 (1988); *Pravda*, June 11, 1987, and October 27, 1987.

¹⁶See *Sovetskaya kultura*, December 31, 1987, and February 4, 1988; *Pravda*, January 10, 1988, January 29, 1988, February 15, 1988, and February 29, 1988; *Znamia*, no. 1 (1988); *Moskovskie novosti*, no. 2 (1988); *Sovetskaya Rossiya*, January 28, 1988.

¹⁷For Gorbachev's initial pronouncement on this theme, see *Pravda*, February 14, 1987. For other authoritative discussions of the need for glasnost and perestroika in the study of history, see *Izvestia*, April 3, 1987 and May 3, 1987; *Kommunist*, no. 14 (1985); *Sovetskaya kultura*, March 21, 1987. For a Western analysis, see Stephen Wheatcroft, "Unleashing the Energy of History, Mentioning the Unmentionable, and Reconstructing Soviet Historical Awareness: Moscow, 1987," *Australian Slavonic and East European Studies*, vol. 1, no. 1 (1987).

¹⁸See *Pravda*, February 6, 1988, and *Izvestia*, February 7, 1988. For the text of a letter to Gorbachev from Bukharin's widow, pleading that her late husband be rehabilitated, see *Ognek*, no. 48 (1987).

¹⁹For an "unreconstructed" view of Trotsky, see *Ognek*, no. 47 (1987). For a spirited defense of Stalin and Stalinism, see *Sovetskaya Rossiya*, March 13, 1988. This letter was sharply criticized in *Pravda*, April 5, 1988.

²⁰*Pravda*, July 2, 1988.

The scope of official censorship has also been sharply curbed. Works as varied as Yevgeny Zamiatin's *We*, George Orwell's *Nineteen Eighty-Four*, and Boris Pasternak's *Dr. Zhivago*, all of which were published in the West decades ago, have finally appeared in Soviet literary journals. The writings of other Soviet authors—most prominent among them Anatoli Rybakov's *Deti Arbata* (Children of the Arbat), Aleksandr Bek's *Novoe naznachenie* (The New Assignment), and Vasili Grossman's *Zhizn i sudba* (Life and Fate)—recount the cruelties of collectivization, the Ukrainian famine, the Great Terror, Stalin's blunders before and during World War II, and even the enthusiastic welcome given by Ukrainian and Belorussian peasants to their Nazi "liberators" in June, 1941. All this goes far beyond what was published during Khrushchev's "thaw." The same is true with respect to films and the theater.¹⁶

In addition, historians have been allowed to deal more honestly with some of the "blank spots" of the Soviet period.¹⁷ These include not only the topics mentioned above, but also the Hitler-Stalin Pact (1939), the Katyn Forest massacre, the origins of the cold war, and the construction of the Berlin Wall. Hundreds of military officers, party and government officials, and others who were tortured and murdered in Stalin's time have been exonerated. Most of Stalin's major rivals have been "rehabilitated," i.e., declared innocent of any legal wrongdoing and/or reinstated in the ranks of the Communist party.¹⁸ Even more astonishing is the fact that Lenin's judgment has been called into question, while Trotsky is no longer portrayed as the quintessence of evil.¹⁹ None of this is "revisionist history," as the term is used by Western scholars; it is, after all, a response to official demands for a "restructuring of history," and it still ignores or evades certain awkward questions. But it represents an enormous change from previous standards of historiography.

The responsibilities of the Communist party—described in Article 6 of the Constitution as "the leading and guiding force of Soviet society and the nucleus of its political system"—have also been called into question. "Informal groups" (organizations set up and run outside of party channels) have appeared, mass demonstrations have taken place without police interference, and high-ranking party members have been criticized by name and their removal has been demanded—but they have continued to serve. Former Moscow party leader Boris Yeltsin was even allowed to plead his case for rehabilitation ("not in 50 years, but right now") at the special nineteenth party conference in June, 1988.²⁰

Of course, some of the developments at the nineteenth June party conference can be interpreted in a less benign way. Public allegations that some of the

delegates were "criminals"—a sealed envelope allegedly identifying these individuals was presented to the General Secretary in the presence of all 5,000 delegates, photographers and television crews—and the public humiliation of Andrei Gromyko and Mikhail Solomentsev (both members of the Politburo), as well as Viktor Afanasev (chief editor of *Pravda*), and Georgi Arbatov (head of the Institute for the Study of the USA and Canada), was distinctly sinister in character.

Further, controversy surrounding ethnic politics has assumed forms and has been given an astounding degree of legitimacy. Protests, strikes, work stoppages, demonstrations, sit-ins and riots have become almost a "normal" part of the political process in the Soviet Union—especially in the Baltic states, the Transcaucasian republics, and central Asia. The Russian-nationalist society *Pamiat* (Memory) has become the subject of animated debate in the press: some commentators extol the group's determination to preserve historical and cultural monuments, while others denounce it as a vehicle for great-Russian chauvinism and anti-Semitism. At the same time, granting publicity to *Pamiat* has encouraged nationalist groups outside the Russian Republic to pursue their own agendas. These generally include demands for greater recognition for non-Russian languages and cultures, shifts in patterns of resource allocation, enhanced political representation, and even a call for economic autarky.²¹ One letter to the editor of the major newspaper in Lithuania condemned Stalin's forcible incorporation of the republic into the Soviet Union in 1940, asserted that Estonians, Latvians and Lithuanians were still being subjugated by Moscow today, and ridiculed glasnost as incapable of ever revealing the truth about the Baltic peoples.²²

THE DEBATE OVER PERESTROIKA

Professional economists and, to a lesser extent, party and government officials have fundamentally reshaped the boundaries of public debate over perestroika. Ideas that were formerly unthinkable—or at least were never discussed in the media—are now advanced, weighed and given prominence by leading experts in the field of economics. Analyses of economic reform are no longer

limited to calls for "the further perfecting of the economic mechanism," greater autonomy for factory and farm managers, fewer centrally determined indicators for plan fulfillment, or increasing attention to "profitability" and "marketability" rather than continued reliance on production for production's sake. One can now find serious discussions of: (1) the possibility, even the inevitability, of unemployment; (2) the wisdom of reducing or eliminating state subsidies for food, housing, public transportation and utilities; (3) the virtues of private enterprise, especially in the service sector; (4) the actual introduction of "pay-for-service" medical treatment; and (5) a major effort to reduce the rich array of perquisites available to members of the party, the state bureaucracy, military officers and police officials.

Perhaps the best-known figure in these debates is the economist Nikolai Shmelev of the Institute for the Study of the USA and Canada. On a number of occasions, he has offered far more radical proposals than those enunciated by the General Secretary. (One wonders, in fact, whether Gorbachev is deliberately using Shmelev's "excesses" in order to make his own position appear more moderate.) In the spring of 1988, Shmelev expressed a willingness to adopt any measure that promoted efficiency.²³

In some ways, of course, the Soviet Union has long resembled a third world country. Indeed, some have described it as the world's most developed underdeveloped country. But glasnost has permitted, even demanded, the drawing of horrific conclusions about falling behind irrevocably in the race for scientific and technical innovation. Shmelev comes close to paraphrasing Trotsky's famous observation at the time of the Bolshevik Revolution of 1917, when he declared that Alexander Kerensky's government had been consigned to "the trash-heap of history." He comes even closer to Marx's formula for revolutionary change—a process that occurs when "the relations of production" (the socioeconomic system linking producers and consumers) impede the further development of "the means of production." Radical reform, that is, is needed if the Soviet Union is to survive, much less to flourish. One inevitably recalls Stalin's warning in 1931, a decade before the Nazi invasion, that Russia was constantly being defeated because of her backwardness. "We are 50 to 100 years behind the leading countries. We must make up this difference in 10 years. Either we do it or we go under."²⁴

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²¹See *Sovetskaya Moldavia*, May 31, 1987; *Sovetskaya Estonia*, December 18, 1987; *Izvestia*, June 3, 1987 and February 12, 1988; *Sovetskaya Belorussia*, November 18, 1987 and December 29, 1987; *Sovetskaya kultura*, November 24, 1987; *Komsomolskaya pravda*, December 19, 1987, and February 9, 1988; *Pravda*, February 9, 1988, February 24, 1988, and February 26, 1988.

²²*Sovetskaya Litva*, October 29, 1987.

²³*Novy mir*, no. 4 (1988).

²⁴I. V. Stalin, *Sochinenia*, vol. 13 (Moscow, 1951).

"The ferment in the national republics has forced [Soviet General Secretary Mikhail] Gorbachev to confront issues to which earlier he had given less thought. . . . On Gorbachev's nationalities agenda may well hang his, and the Soviet Union's, future."

The Nationalities Problem in the Soviet Union

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In his speech delivered at the plenary session of the Central Committee of the Communist party of the Soviet Union (CPSU) on February 17, 1988, General Secretary Mikhail Gorbachev spoke about, among other matters, the nationalities issue in the U.S.S.R. "This is a crucially important, vital question of our society," said the General Secretary, and he called for a "very thorough review of our nationalities policy. And along all lines — both in theory and in practice."¹

As if to validate Gorbachev's pronouncement, the same week saw the outbreak of large-scale ethnic unrest among Soviet Armenians. Over the succeeding months these disturbances continued and intensified, involving at their height as many as one million people — the largest spontaneous manifestation in Soviet history. The issue was one of pure nationalism: a demand for the transfer of the Armenian-populated enclave of Nagorno-Karabakh from neighboring Azerbaijan to the Armenian republic. Together with the anti-Russian riots in Kazakhstan in December, 1986, mass rallies in the Baltic republics and demonstrations by Crimean Tatars in Moscow during 1987 and 1988, the Armenian events represent the most visible expression of burgeoning national sentiments among the Soviet Union's non-Russian peoples. But no less important are the emergence of many unofficial groups, the formation of new communications networks, and the ever bolder airing of ethnic concerns in public forums and the media.

All these developments are the unintended and unexpected consequences of the campaign for perestroika (restructuring), glasnost (openness) and demokratizatsia (democratization) through which the Gorbachev leadership hopes to revitalize Soviet society and revive the country's economy. They vastly complicate the process of reform. They also make one fact increasingly obvious: no program of political, social and economic reform in the Soviet Union can succeed unless it takes into account the needs and aspirations of the nationalities.

The Soviet Union over which Mikhail Gorbachev presides is a country of enormous human di-

versity. The last census, conducted in 1979, lists 101 ethnic groups. All possess distinctive traits — language, culture, historical memory — that define their identity and shape their aspirations. Most, however, are quite small and, in political terms, insignificant: half of them account for less than 0.5 percent of the total population. In general, it is the major groups — those with a population of a million or more — that constitute the core of the Soviet nationalities problem.

In the Soviet southwest live the Ukrainians, the Belorussians and the Moldavians. The Ukrainians and Belorussians (the second and fourth largest Soviet nationalities, respectively) are East Slavs by language, Byzantine Christian in religious tradition, and with historical roots in the medieval state of Kievan Rus. They thus stand in a particular relationship with the Russians, who claim much of this same heritage. Linguistic and cultural affinities make the Ukrainians and, especially, the Belorussians more susceptible than most major nationalities to the processes of Russification — a trend encouraged by official policy for much of the Soviet period. National feeling runs high among many Ukrainians, however, especially in western territories annexed only after World War II. A strong bulwark of national identity for western Ukrainians has been the Ukrainian Catholic Church (a Uniate Church, with Byzantine liturgy and customs, but in communion with Rome), which was abolished in 1946, although it continues to exist underground.

The Baltic peoples — Lithuanians, Latvians and Estonians — form another distinct grouping. Though numerically small, they are distinguished by a tenacious national consciousness, strongly oriented toward the West. The largely Lutheran Estonians and Latvians rank high in terms of educational attainment and social modernization — a source of considerable national pride. Lithuanian national identity, on the other hand, has a strong link with the Roman Catholic religion. The living memory of recent independence in the interwar period sets the Balts apart from other non-Russian nationalities.

Transcaucasia is ethnically much more varie-

¹*Pravda*, February 18, 1988.

gated, with many small groups in addition to the three major nationalities—the Georgians, the Armenians, and the Azerbaijanis. The independent existence of Georgia and Armenia began in classical antiquity. Both peoples have been Christian since the fourth century; the Georgians are Orthodox and the Armenians are Gregorian Apostolic. Each has a rich literary and cultural legacy. All this forms the basis for a highly developed national identity. The Turkic-speaking Azerbaijanis, by contrast, never possessed independent statehood; historically they have been linked with Iran, from which they derive their culture and their Shiite Muslim faith. Transcaucasia is marked by complex patterns of ethnic relations, most notable of which is the long-standing Armenian hostility toward the Turks, which also affects the Armenians' attitude toward the Azerbaijanis.

The peoples of central Asia are most distinct from the Russians, and are frequently viewed by the Russians as backward. Until modern times, a dominant influence on the central Asians was Sunni Islam, and with it elements of Arabic and Persian culture. Although they were real, linguistic and ethnic differences were traditionally less important lines of cleavage than tribal and clan affiliations or the division between nomadic and settled peoples.

Among the major nationalities are several that may be styled "diasporas," with roots in countries outside the Soviet Union. These include Jews, Poles and Germans. Though large groups, they possess few of the prerogatives granted those nationalities recognized as "peoples of the U.S.S.R." Their political significance is their importance as a factor in Soviet relations with interested foreign states. Mention should also be made of the Crimean Tatars—a perhaps 400,000-strong minority that forms an internal Soviet diaspora. Deported en masse in 1944 from the Crimea to central Asia, they have in recent years conducted a remarkably vigorous campaign for the right to return to their homeland.

The multinational empire that is the Soviet Union represents the end product of 400 years of Russian overland expansion. A heterogeneous population, highly stratified along ethnic as well as social lines, and a tradition of Russian political and cultural dominance were the main legacies bequeathed by the Czars to the successor Soviet regime.

The nationalities problem was not a central concern for the Bolsheviks before the Revolution. Their program endorsed, as a matter of principle, the right of self-determination for all nations. Lenin later defined this as the right to separation and in-

dependent statehood (a right, however, he did not expect to see exercised). Otherwise, nationalities would be entitled to general civil liberties and cultural concessions, but not to special political status.

The 1920's witnessed a broad accommodation with the nationalities. The Soviet Union that came into being in 1924 was structured as a federal state of formally sovereign union republics. Special administrative units were created for smaller ethnic groups: autonomous republics, regions, and districts. To counterbalance this, Lenin insisted on a strongly centralized Communist party. Nevertheless, the development of local cadres was promoted and new national Communist elites were formed. Non-Russian languages and cultures received encouragement, and great strides were made in literacy and education.

Joseph Stalin's ascent to power reversed this accommodationist policy. His drive for rapid industrialization was accompanied by renewed stress on centralism and uniformity. Increasingly, the Russian language and Russian culture were seen as the cement that would bind the conglomerate of ethnic populations. Russian was made a compulsory subject in all schools; recently formed non-Russian alphabets were switched to Cyrillic; histories were rewritten to stress the "benefits" of Russian annexation. At the same time, purges swept away many of the new national cadres, and their replacements were more strictly supervised from the center.

The worst excesses of Stalinism ended with the dictator's death in 1953 and the rise of First Secretary Nikita Khrushchev. The relaxation of terror and a cultural thaw led to considerable national revival among non-Russians. A wave of resentment among the nationalities was aroused, however, by educational reforms in 1958 that favored Russian as a medium of instruction in native schools while exempting Russians from learning local languages. Renewed emphasis on the Russian language became part of an ideological drive to hasten the "merger of peoples" in the course of building a Communist society.

Without Khrushchev's excessive rhetoric, this drive was basically continued by the regime of President Leonid Brezhnev after 1964. In 1971, the twenty-fourth congress of the CPSU issued a theoretical statement that the Soviet people (*narod*) had come into existence—a new human community sharing a common territory, state, economic system, culture, the goal of building communism and a common language—Russian.²

DEMOGRAPHY AND DISSENT

The regime's optimism about the integration and assimilation of nationalities was shaken by two de-

²See *Materialy XXIV Sezda KPSS* (Moscow: Izdatelstvo politicheskoi literatury, 1971), p. 76.

velopments: unanticipated demographic trends and the rise of national dissent movements.

The censuses of 1970 and 1979 revealed that since 1959 the Soviet Union had been experiencing rapid changes in its ethnic makeup.

The Russians showed slower than average growth and their share of the population dropped to 52.4 percent. Only Ukrainians, Latvians and Estonians exhibited lower rates of increase. Astonishingly high growth characterized the Muslim nationalities of central Asia and Azerbaijan, whose population in some cases more than doubled. Examination of age groups reveals more clearly the rapidity of ethnodemographic processes. In the population under the age of ten in 1970, the Russian share fell to 46.8 percent; for the Muslims it stood at 18.2 percent—almost double their percentage in the general population.³ It is not surprising, then, that age data for 1979 was never published.

A more precise determination of subsequent ethnic trends must await the result of the next census, scheduled for January, 1989. But if we take total population growth in the republics as a rough approximation of the demographic behavior of their titular nationalities, the earlier patterns have apparently continued. Thus, in the Russian republic the population increased by 5.6 percent from 1979 to 1987, while the population in Armenia, for example, grew by 12.6 percent, and the population of Tadzhikistan grew by 26.5 percent.⁴ Moreover, a survey conducted in 1985 showed that among married women of childbearing age Russians expected on average to have 1.96 children (below replacement level, and fewer even than the Estonians and Latvians), while the comparable figure for Tadzhiks was 6.31 children.⁵

The censuses also reveal that nationalities are highly resistant to outmigration from their republics. Indeed, the concentration of non-Russians within their titular units increased between 1959 and 1970 for ten nationalities, and decreased significantly for only one, the Belorussians. And despite a considerable spread in bilingualism, primary attachment to the national language remains extraordinarily high: almost 99 percent for the Muslim peoples and over 95 percent for the Balts.⁶

The national dissent movements arose in the late

1960's, largely in response to the perceived threat of Russification. Petition drives, samizdat publications and, occasionally, public demonstrations were the main vehicles for expressing grievances. The precise issues varied. For the Ukrainians, the prime anxiety was the status of their language. Dissent in Lithuania was closely linked to a struggle for the rights of the Catholic Church, perceived as a national institution. In Estonia and in Latvia, anti-Russian protests were prompted by fears that Russian immigration and low native birthrates would dilute the national character of the republics. Jewish dissent centered on emigration to Israel, while Crimean Tatars began their drive to return to the Crimea.

Following the signing of the Helsinki accords, Helsinki watch groups were formed in several republics—notably the Ukraine, Lithuania and Georgia. These groups pressed for national rights within the context of human rights guaranteed by the Soviet Union under international treaty. While periodic crackdowns and arrests constantly depleted the ranks of dissidents, a more concerted effort by the KGB (secret police) toward the end of the 1970's virtually put an end to all dissident activities. Interestingly, no dissident movement had arisen in the Muslim republics, Moldavia or Belorussia.

With the years, the Brezhnev regime sank into stagnation, to use the catchword now current in the Soviet Union. Two facets of this, though not directly related to issues of nationality, would impinge in extraordinary fashion on the non-Russians. The first was Brezhnev's cadres policy, which can be summed up in two words: "trust" and "stability." In contrast to the erratic shuffling of personnel under Khrushchev, this policy gave virtually unlimited tenure (as well as extensive privilege) to loyal-party officials, bureaucrats and administrators. It also bred inertia and corruption on a vast scale. The second, not unrelated, was the deteriorating performance of the Soviet economy.

After the brief interregnums of General Secretary Yuri Andropov and General Secretary Konstantin Chernenko, which followed Brezhnev's death in 1982, Gorbachev inherited these problems when he was elected as General Secretary in March, 1985. His most important task, as he saw it, was to revive the flagging economy. The task required restructuring—perestroika. For perestroika to succeed it was essential to replace those responsible for the existing state of affairs with men who shared his ambition. And this entailed open confrontation with real problems (glasnost) and the active involvement of the populace (demokratizatsia).

Initially, the Gorbachev leadership had given low priority to the nationalities problem. Gorbachev himself made no significant pronouncement during

³For a more detailed discussion, see Lubomyr Hajda, "Nationality and Age in Soviet Population Change," *Soviet Studies*, vol. 32, no. 4 (October, 1980).

⁴*Narodnoe khoziaistvo SSR za 70 let. Iubileinyi statisticheski ezhegodnik* (Moscow: Finansy i statistika, 1987), p. 374.

⁵*Vestnik statistiki*, no. 9 (1986), p. 77.

⁶*Itoги Vsesoiuznoi perepisi naseleniya 1959 goda: SSSR* (Moscow: Gosstatizdat, 1962); *Chislennost i sostav naseleniya (Po dannym Vsesoiuznoi perepisi naseleniya 1979 goda)* (Moscow: Finansy i statistika, 1984).

his first two years in office. His lengthy programmatic speech at the twenty-seventh party congress in February, 1986, made a surprisingly brief reference to the nationalities, and even this was limited to self-congratulation on Soviet achievements in ethnic relations and a routine call for vigilance against manifestations of nationalism.

The conservative second in command, Yegor Ligachev, made more chilling remarks, stressing the need for reintroducing the principle of exchange of cadres among republics to help uproot local patron-client networks that frequently bred corruption. Exchange of cadres implies greater central control over the nationalities and the diminution of native influence within the local party organizations. On the other hand, Gorbachev promoted the well-known opponent of Russian nationalism, Aleksandr Yakolev, to the Politburo and as head of the Central Committee's Propaganda Department.

FERMENT IN THE NATIONAL REPUBLICS

Personnel shakeups that would have far-ranging repercussions began in central Asia where corruption, with its deleterious social and economic effects, was most widespread. The turnover began, in fact, before Gorbachev's accession to power, in Uzbekistan, the most populous republic. Then, in rapid succession in the course of two months—November and December, 1985—first secretaries of long standing were replaced in the Kirghiz, Turkmen and Tadzhik republics.

The most dramatic events, however, occurred in Kazakhstan in connection with the dismissal of Dinmukhamed Kunaev in December, 1986. First secretary since 1964 and full member of the Politburo since 1971, Kunaev had little to distinguish him but the patronage of Leonid Brezhnev. It was not his "retirement" but his replacement by a Russian, Gennadi Kolbin, that triggered the riots that shook the capital of Alma-Ata for two days.

The first case of nationalist unrest in central Asia in many years focused attention on Russian-native relations in the region. The appointment of a Russian to head a republican party organization broke an almost 30-year tradition according to which natives had held such posts. In Kazakhstan, it is true, Russians formed a plurality in the population as late as 1979 (41 percent compared with the Kazakhs' 36 percent), but demographic trends since then suggest that they have been overtaken by the Kazakhs. Russians living in the republic, moreover, have taken few pains to accommodate to the local ethnic environment; fewer than 1 percent of them reported knowledge of the Kazakh language.

Another major setback for central Asia was the announcement in 1986 that the hotly debated Siberian river diversion project would be shelved.

Water needs for central Asia's burgeoning population and the irrigation of its arid soil have long been pressing problems. Proposals to divert the flow of rivers in Siberia, however, raised questions of engineering feasibility and potential ecological harm. They also raised protests among concerned Russians because of the projected inundation of old Russian towns and villages. The conflict, thus, assumed national overtones. In the event, the central Asians were the losers.

Islam also came under increasing attack in central Asia. From the harsh speeches of Gorbachev and Politburo member Yegor Ligachev, seconded by local officials, it would appear that the new leadership views Islam as a particular hindrance to the implementation of social and economic reforms.

Developments in the Baltic have taken a quite different turn. This may be, in part, because in the Soviet context, these western republics appear to be models of economic efficiency and labor productivity. In part, it may be because the demographic situation is reversed. In Estonia and Latvia, the proportion of Russians increased as a result of immigration from 20 percent to 28 percent and from 27 percent to 33 percent, respectively, between 1959 and 1979; the native share declined from 75 percent to 65 percent and from 62 percent to 54 percent over the same period. A growing Russian presence may make concessions safer, while at the same time it helped to assuage national grievances. (The demographic situation in Lithuania is more stable, with natives constituting 80 percent and Russians less than 10 percent of the population.)

The replacement, in June, 1988, of the much-disliked Estonian first secretary with Vaino Valas, a former diplomat (who announced almost immediately that meetings of the republican party leadership would be conducted in Estonian) was undoubtedly a concession to the nationalist mood that has been rising in the three Baltic republics unremittingly in 1987 and 1988. Public rallies and demonstrations there (drawing tens of thousands and even more than a hundred thousand participants) have become an almost normal occurrence. They were especially massive in the summer of 1987 and in February, 1988 (when the anniversaries of prewar independence were commemorated).

The Balts, however, look not only to the past, but
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"While the Soviet Union's interdependence policy and American competitive initiatives may seem to promise increased economic relations between the superpowers, the trend of small-scale, unbalanced trade is likely to continue unless there are major qualitative changes in the policy framework, implementation and commercial culture of each country."

The Soviet Union's Trade Policy

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THE role of trade in the Soviet economy has traditionally been limited. Imports have been targeted toward specific shortages and bottlenecks, while exports have been viewed primarily as a means of paying for needed imports. Trade, particularly trade with the West, expanded during the 1970's, as the Soviet Union under President Leonid Brezhnev and his successors continued to pursue a conservative policy of balanced trade, in which credit was used sparingly and the complex mechanisms of interaction were avoided. With Mikhail Gorbachev's appointment as General Secretary of the Communist party in 1985, Soviet foreign economic policy began to shift toward an emphasis on greater interdependence with the world economy. However, this policy change has not been reflected in Soviet trade performance, in part because of constraints in the external environment and in the domestic economy.

As the experience of the 1980's has indicated, trade policy and performance do not always go hand in hand. In the early 1980's, following the Soviet invasion of Afghanistan and the imposition of martial law in Poland, Western policy on East-West trade changed from the facilitation of the 1970's toward restriction. In particular, the United States imposed sanctions and embargoes on trade with the Soviet Union, some of which extended to the trade of the Western allies as well. Nevertheless, Soviet trade policy with the developed West, the socialist countries and the developing countries during this period continued along the lines adopted under Brezhnev in the 1970's. Despite the marked policy change in the West, the general pat-

tern of Soviet convertible and nonconvertible currency trade was maintained without major change. Thus, in 1979, 56 percent of Soviet trade was conducted with socialist countries, 32 percent was conducted with developed capitalist countries and 12 percent was conducted with developing countries; in 1984, the distribution was basically the same—58 percent with socialist countries, 29 percent with developed capitalist countries and 13 percent with developing countries.¹ The impact of policy on trade flows was felt mainly in the minor nonagricultural United States-Soviet trade.

FOREIGN ECONOMIC POLICY

When he came to power in 1985, General Secretary Gorbachev adopted a new foreign economic policy of interdependence that was designed to support and complement his domestic economic policy of perestroika. Noting that the U.S.S.R., in the past, had not sustained "a position in international trade that would be commensurate with its economic potential and political status," Ivan Ivanov, deputy chairman of the State Commission on Foreign Economic Relations, described the new foreign economic strategy as "a vital ingredient of the economic reforms now under way."² The new policy, as articulated by Gorbachev and other Soviet officials, includes the following objectives: increased merchandise trade with the developed West; more balanced hard-goods trade with Council for Mutual Economic Assistance (CMEA) nations; and more commercial trade with and less aid to the developing countries.

Just as the key to domestic modernization success centers on the production of more goods of world-class quality, the acquisition more hard-goods imports may be seen as Gorbachev's key to successful foreign commerce. However, performance in the foreign trade sector has not conformed to these stated changes in policy. In the period from 1985 to

¹U.S.S.R. *Foreign Trade in 1980* (Moscow: Ministry of Foreign Trade), 1981, p. 8; *U.S.S.R. Foreign Trade in 1984* (Moscow: Ministry of Foreign Trade 1985), p. 8.

²Ivan D. Ivanov, "Restructuring the Mechanism of Foreign Economic Relations of in the U.S.S.R.," *Soviet Economy*, vol. 3, no. 3 (July-September, 1987), p. 196.

1987, factors external to Gorbachev's interdependence policy appear to have driven trade more than his stated policy goals.

Increased merchandise trade with the West was slow to expand, despite implementation of the interdependence policy with leading Western countries. Soviet trade flows with Japan, West Germany and the United States show either small increases or actual reductions in trade as hard-currency imports were cut (particularly grain), while exports of oil and gold rose.³ To a large extent, the expansion of Soviet commerce with the West was restrained by balance-of-payments concerns. Just as General Secretary Gorbachev launched his policy of interdependence, the price of oil fell dramatically and the exchange rate of the dollar plummeted during 1985 and 1986. With approximately 80 percent of its hard-currency exports in energy, the Soviet Union suffered a decline in its current-account balance and a substantial increase in its net debt. At the same time, good grain harvests allowed for reduced imports of wheat, corn and soybeans to help offset lost export earnings.

The United States continued to hold by far the smallest share of Western trade; yet its influence on East-West trade policy was pivotal. Although the United States, through four superpower summits, expanded negotiations on bilateral relations and stated its support for nonstrategic trade and joint ventures, Western trade continued to be constrained by United States policy.⁴ The Toshiba-Kongsberg scandal in 1987, in which Japanese and Norwegian companies were found to have sold militarily useful technology to the Soviet Union, produced a strong negative reaction in the United States, dampening significantly the atmosphere for expanded East-West trade. Credit policy also emerged as an issue of United States concern and one potentially as divisive in the West as the pipeline dispute of 1981-1982.

External factors, particularly the oil price change, had an impact on Soviet trade with the CMEA countries as well. As the price of oil dropped (although this affected East Europe on a delayed basis, given the CMEA mechanism for pricing Soviet energy exports based on the previous five years'

average), Soviet terms of trade with East Europe deteriorated, with export prices falling nearly 4 percent in 1987 while import prices rose only 1 percent.⁵ For several years Soviet policy statements had indicated interest in reducing the Soviet trade surplus with East Europe; however, it was the shift in the terms of trade caused by world price changes that provided the real momentum for a reversal in trade flows. Thus, in 1987, the Soviet surplus with the CMEA countries fell to 1.8 billion rubles (a drop from 4.4 billion rubles in 1986) and Soviet trade with the CMEA countries is expected to show a deficit in 1988.⁶

In general, Gorbachev's policy on economic relations with East Europe, and on the relationship of Soviet perestroika to East Europe's economic policies, has been unclear. On the one hand, Soviet leaders may find it reasonable to squeeze the East Europeans for more quality exports—notably machinery and food—to support their own economic needs; on the other hand, slow-growing East European economies may be unable to afford this additional burden without risking political instability. The equivocal result has been a strong policy statement by the Soviet Union in support of perestroika throughout the region, without the concrete changes in trade and resource flows that would suggest reduced demands on East Europe.

In relations with the developing countries, Soviet policy has been directed toward promoting Soviet commercial interests with less reliance on credit and aid. For the non-CMEA socialist world—for example, Cuba, Vietnam, Ethiopia, Angola—this policy would suggest that the "burden of empire" is to be reduced. Notably, the Soviet Union has used increased arms sales to developing countries as a means of offsetting its lost earnings from oil. Iraq has been the largest purchaser of Soviet arms; the Soviet Union delivered nearly \$11.5 billion in arms to Iraq during the period from 1984 to 1987.⁷ Commercial relations with developing countries with comparative advantages and soft currency, like India, have expanded.

Overall, as the performance record indicates, external factors appear to have had more influence on the Soviet Union's trade with all its trading partners than policy. The substantial differences between the pre-Gorbachev and the Gorbachev periods (1980-1984 and 1985-1987) were less policy-driven than they were a product of external economic factors in the world market and Soviet domestic economic developments.

COPING WITH CONSTRAINTS

As suggested by performance data, the Soviet Union is experiencing constraints in expanding its foreign economic activity; its reaction to these con-

³For further analysis of trade trends, see *Vneshnyaya Torgovlya*, no. 3 (1988); *PlanEcon Report*, vol. 4, no. 14 (April 8, 1988).

⁴See John P. Hardt, "U.S.-Soviet Economic and Technological Interaction," in Andrew J. Goodpaster, Walter J. Stoessel, Jr., and Robert Kennedy, eds., *U.S. Policy Toward the Soviet Union* (Lanham, Md.: University Press of America, 1988).

⁵*PlanEcon Report*, vol. 4, no. 14 (April 8, 1988), p. 1.

⁶*Ibid.*

⁷Richard F. Grimmett, "Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1980-1987," *Congressional Research Service Report for Congress*, May 9, 1988.

straints has been to find short-term solutions to overcome immediate problems and meet critical needs.⁸ However, if its stated policy of interdependence were more actively pursued in practice, there are a variety of measures that might be taken to deal with these obstacles in the international environment and in the Soviet domestic economy. As defined by Ivan Ivanov, a Soviet policy goal is to draw on "all modern arrangements used in international business," which include

industrial and technological cooperation, joint manufacturing [in the U.S.S.R. and abroad], economic and technical assistance, leasing, engineering, consulting, contractual R&D [research and development], franchising, subcontracting, credit, monetary, investment, securities, and insurance operations, as well as trading on commodity exchanges.⁹

While some initiatives have been taken in decentralizing the foreign trade mechanism, in authorizing joint ventures, and in increasing involvement in international economic activity, far-reaching changes must occur in the longer term if interdependence is to become a reality. Of course, successful domestic economic reform and restructuring will be a necessary ingredient in gaining a more vital role in the international economy, to the extent that such reforms make possible the production of high-quality, competitive goods and the implementation of a flexible economic mechanism.

Given the tightening of Soviet hard-currency earnings in the wake of the oil price drop, the importance of credit in Soviet commercial activity has grown.¹⁰ Despite some expansion of debt undertaken in 1985–1986, the Soviet Union continued to

rely primarily on increased sales of energy, gold and arms to meet its import needs. Increased use of credit and other mechanisms of international finance is likely to be sought if the needs of perestroika—both consumer goods to win the support of Soviet citizens and producer goods to raise the level and quality of Soviet manufactures—are to be satisfied. In fact, one of the more radical leading Soviet economists, Nikolai Shmelev, has called for a substantial growth in foreign debt.

In order to expand its access to capital beyond direct loans, the Soviet Union may be expected to participate in the Eurobond market in coming years. By settling British claims on Czarist debt in July, 1986, the Soviet Union removed a long-standing obstacle to such participation. Through the Bank for Foreign Economic Relations, Soviet leaders appeared prepared to launch their first bond issue in January, 1988, for 100 million Swiss francs (\$74.8 million), but the bond issue was inexplicably withdrawn shortly afterward.¹¹ This activity in the foreign bond market could subject the Soviet Union to disclosure requirements on the extent of its debt, currency reserves and balance of payments—information that it has not made public before.

The authorization of joint ventures may be seen as another means of coping with the hard-currency constraint and of improving the quality, competitiveness and diversity of Soviet manufactures. The new Soviet law allows for foreign ownership of up to 49 percent of the joint venture's assets, joint foreign-Soviet management (although the chairman and the director general of the enterprise must be Soviet), foreign repatriation of profits and independence from the constraints of the Soviet government's economic plan.¹²

The repatriation of profits from joint ventures has been a source of conflict between the Soviet Union and its potential Western partners. Initially, Soviet leaders stipulated that a Western partner could repatriate its portion of the joint venture profits earned from hard-currency exports only, not from domestic sales. This requirement underlines one of the major Soviet objectives in setting up joint ventures—to produce manufactured goods that will compete on the world market and provide an alternative to the traditional Soviet source of hard currency, namely, exports of energy and raw materials. However, Western partners see joint ventures as an opportunity to tap the potentially vast Soviet domestic market. While the experience of negotiations to date suggests that there are means of overcoming this conflict, for joint ventures to be truly effective the question of currency convertibility needs to be addressed. Western firms must be able to convert ruble profits into dollars that can be repatriated; in the longer term, movement toward full

⁸For data on Soviet import and export trade performance with various regions of the world, see *PlanEcon Report*, vol. 3, no. 27 (July 9, 1987), vol. 3, no. 39 (October 1, 1987), and vol. 4, no. 14 (April 8, 1988).

⁹Ivanov, "Restructuring," p. 216.

¹⁰Figures for the estimated Soviet hard-currency balance of payments can be found in Joan McIntyre, "The U.S.S.R.'s Hard Currency Trade and Payments Position," in *Gorbachev's Economic Plans* (Washington, D.C.: United States Congress Joint Economic Committee, November 23, 1987).

¹¹"Soviet Union Goes Publicly to Market after 70 Years," *The Financial Times*, January 6, 1988, p. 1; Stephen D. Moore, "Major Soviet Bond Issues Are Expected despite Requirements to Disclose Secrets," *The Wall Street Journal*, January 8, 1988.

¹²Decree of the Presidium of the Supreme Soviet, January 13, 1987, "On Questions Concerning the Establishment in the Territory of the U.S.S.R. and Operation of Joint Ventures, International Amalgamations and Organizations with the Participation of Soviet and Foreign Organizations," *Vedomosti Verkhovnogo Soveta SSSR*, 1987, no. 2 (1987); Decision of the Central Committee of the Communist Party of the Soviet Union and the U.S.S.R. Council of Ministers, "Additional Measures to Improve the Country's External Economic Activity in the New Conditions of Economic Management," *Ekonomicheskaya Gazeta*, no. 41 (October, 1987).

currency convertibility will be essential if the Soviet Union is to be competitive in the world market.

Gorbachev seems to recognize that participation in international economic institutions will be important because they play a major role in creating the framework for competition in the international market. Although the Soviet Union was originally invited to participate in the development of international economic institutions at the end of World War II, Soviet leader Joseph Stalin rejected these offers, maintaining instead a path of autarkic development. Soviet leaders now argue that ongoing reforms of the foreign trade sector, including plans to introduce customs duties and to move toward currency convertibility, will make them eligible for membership under the General Agreement on Tariffs and Trade (GATT). Soviet leaders have also moved to establish informal relations with the International Monetary Fund (IMF) and have asked a United Nations committee to make a study of the membership of nonmarket economies in international economic organizations. In addition, the U.S.S.R. has led efforts to establish official links between the CMEA and the European Community (EC), presumably as another means of improving conditions for expanded trade.¹³

U.S. POLICY AS A FACTOR

As the Soviet Union moves to expand its role in the international economy, United States policy on East-West trade could influence Soviet prospects, despite the fact that commercial relations between the United States and the Soviet Union constitute a small part of each country's total foreign economic activity. While a restrictive United States policy on East-West trade often leads to contention among the Western allies (most notably, the pipeline dispute of 1981-1982), a facilitating policy on the part of the United States would likely have a positive, stimulating impact on all Western trade with the

¹³For further discussion of Soviet participation in international economic organizations, see Anders Aslund, "The New Soviet Policy towards International Economic Organisations," *The World Today*, February, 1988; Jozef M. van Brabant, "The GATT and the Soviet Union—A Plea for Reform," *United Nations, Department of International Economic and Social Affairs, Working Paper No. 6*, August, 1987.

¹⁴John P. Hardt, "Changing Perspectives toward the Normalization of East-West Commerce," in Gary K. Bertsch, ed., *Controlling East-West Trade and Technology Transfer: Power, Politics, and Policies* (Durham, N.C.: Duke University Press, 1988).

¹⁵Joint U.S.-Soviet Summit Statement, December 10, 1987, and Joint Statement on the Results of the Joint Commercial Commission, April 14, 1988.

¹⁶See John P. Hardt and Jean F. Boone, "A Congressional Guide for Economic Negotiations with the Soviet Union," *Congressional Research Service Report 88-19 S*, November, 1987.

*The 1974 amendment restricting trade with the Soviet Union authorized by Senator Henry Jackson (D., Wash.) and Congressman Charles Vanik (D., Ohio).

East.¹⁴ To the extent that it influences the environment for expanded interaction, United States trade policy may be critical. Given the changing position of the United States in the global economy and growing concern over global competitiveness, opportunities for trade with the East may be viewed by the United States with greater interest, particularly since its major competitors—Japan, West Germany and other European countries—should respond enthusiastically to such opportunities.

Since 1985, United States policy on commercial relations with the Soviet Union has been to encourage nonstrategic trade and to reactivate some of the mechanisms of cooperation that existed in the 1970's. The United States maintains its commitment to controlling exports of sensitive technology to the Soviet Union and to linking the extension of most-favored nation (MFN) tariff treatment to improvement in Soviet emigration performance, as established by the Jackson-Vanik amendment.* Statements issued at the Washington and Moscow summit meetings and at the April, 1988, meeting of the United States-U.S.S.R. Joint Commercial Commission (JCC) indicate both the interest in expanded nonstrategic trade and the continuing link between trade and human rights issues. Thus, the joint communiqué following the Washington summit noted "strong support for the expansion of mutually beneficial trade and economic relations," while the joint statement issued at the end of the JCC meeting cautioned,

the governments of the United States of America and the Union of Soviet Socialist Republics . . . recognize that the prospects for a substantial expansion of trade relations are related to progress on other issues of mutual interest, including humanitarian affairs.¹⁵

Without significant changes in policy, the trend of small, unbalanced trade seems likely to continue.

Whereas improvement in the overall United States-Soviet relationship may be seen as the first condition for any significant expansion of commercial relations, United States policy decisions on a number of specific trade issues will make a difference in the prospects for East-West trade.¹⁶ The extension of credit and other trade facilitation mea-

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"The Soviet troop withdrawal [from Afghanistan] is proceeding just about on schedule; it may be slower than expected, but there is no warrant for skepticism about [Soviet General Secretary Mikhail] Gorbachev's determination to withdraw."

The Soviet Withdrawal from Afghanistan

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ON May 15, 1988, Soviet troops began their withdrawal from Afghanistan. After fighting for almost nine years, Moscow seems resigned to military defeat at the hands of the anti-Communist, anti-Russian Mujahideen, or "holy warriors." The withdrawal agreement was fashioned under United Nations auspices and signed in Geneva on April 14, 1988; if all its provisions are implemented, the last Soviet contingents should be withdrawn by February, 1989, and the Soviet Union's Afghan war will have ended. As in Iran in 1946, the Kremlin will have failed in its attempt to control strategically important real estate in the third world through the direct use of military power.

The Soviet withdrawal is a momentous development. For Soviet Communist party General Secretary Mikhail Gorbachev, it marks the apparent end of three years of searching for an alternative that would have permitted the Soviet Union to remain, in the hope of consolidating the power of the pro-Soviet regime in Kabul. Various considerations affected Gorbachev's decision: his desire to concentrate on the restructuring (*perestroika*) of Soviet society; the growing unpopularity of the war at home; the inability of the Soviet army and its Afghan client to destroy or divide the Mujahideen; the difficulties that Soviet involvement has caused in relations with the United States, West Europe, China, and most of the Muslim world; and the continued divisions within the People's Democratic party of Afghanistan (PDPA), the Communist-led organization that Moscow has been supporting since a coup in April, 1978, brought the Communists to power.

Before turning to the Geneva agreement and its implications for Gorbachev's policy toward Afghanistan, a brief review of Soviet moves may be in order. The Soviet leadership welcomed the Communist coup in Kabul in April, 1978, and quickly extended massive support to consolidate its new strategic gain. However, Nur Mohammed Taraki, the Afghan leader and head of the Khalq faction of the PDPA, pushed radical reforms with little regard for the views of traditional tribal and religious elites.

¹*Pravda*, February 26, 1986, p. 8.

His successor, Hafizullah Amin (also a Khalqi), who emerged as the victor in an intraparty shoot-out with Taraki in September, 1979, continued to press for ruthless modernization and repressive social policies, confident that Moscow would support him regardless of the cost.

Meanwhile, resistance to the PDPA grew, threatening the survival of the regime. Intent on securing its strategic position, the Kremlin ordered 50,000 troops into Afghanistan at the end of December, 1979, murdered Amin and his entourage, and replaced him with Babrak Karmal, the leader of the Parcham faction of the PDPA, who had been exiled to East Europe by Taraki and who was willing to do what Moscow wanted.

But the Mujahideen could be neither pacified nor co-opted. For the next five years, the Soviet government and its Afghan satrap mounted many military offensives, devastating the countryside and exacting an appalling toll. Almost half the population was uprooted: between three million and four million fled to neighboring Pakistan; another 1 million escaped to Iran; more than 1 million poured into Kabul. Perhaps another million died or were killed. The Soviet Union adopted a scorched-earth policy, burning villages and destroying the food supply in the tribal areas; it mined the mountain passes through which arms and supplies were smuggled from Pakistan; and it upgraded its military tactics.

A PRESSING PROBLEM

By March, 1985, when Gorbachev came to power, the Soviet Union's war in Afghanistan had become Moscow's most pressing problem in the third world. In his report to the 27th congress of the Communist party of the Soviet Union (CPSU) on February 26, 1986, Gorbachev gave a hint of his determination to end Moscow's military involvement. He admitted that Afghanistan had turned into "a bleeding wound" and said that "we would like in the near future to bring the Soviet forces—situated in Afghanistan at the request of its government—back to their homeland."¹

Clearly dissatisfied, Gorbachev tried to find a solution that would allow the Soviet Union to retain a

political presence.² First, he changed the leadership of the PDPA. On May 4, 1986, Najib (Afghans often have one name), the former head of the Afghan secret police, replaced Babrak Karmal as General Secretary. A dedicated Communist, with a record of loyalty to Moscow going back to his student days in the mid-1960's, Najib was given a mandate to end the factionalism in the PDPA and to devise a better way to deal with the Mujahideen.

Second, Gorbachev tried to convey his determination to withdraw the Soviet forces. In a major foreign policy speech at the end of July, 1986, he announced that six regiments (8,000 troops) would be withdrawn at the end of October. They were; but the extensive media coverage publicizing the pullback raised questions about the real significance of the gesture. So did the arrival of new troops.

Third, Gorbachev made greater use of diplomacy. On the occasion of his visit to India in late November, 1986, he made new overtures to Pakistan, and a series of frequent high-level discussions between Moscow and Islamabad started soon afterward. He courted nonaligned leaders like Robert Mugabe of Zimbabwe, Rajiv Gandhi of India and Chadli Benjedid of Algeria to try to lessen international opprobrium and the annual condemnation of Soviet intervention in the United Nations General Assembly.

Fourth, Gorbachev encouraged Najib to seek a political compromise with the Mujahideen, especially because war-weariness was widespread. He may have reasoned that the combination of carrot and stick would make a settlement attractive enough to divide the Mujahideen. Accordingly, on January 1, 1987, Najib called for "national reconciliation" and announced a six-month nationwide cease-fire, effective January 15, subject to its acceptance by the Mujahideen. But with one exception — the offer of a cease-fire — Najib's proposal echoed proposals that had been made by Babrak Karmal in 1985 and had been received with indifference: the offer of a coalition government, a general amnesty, respect for "the sacred Islamic religion," and autonomy for the tribes.

Finally, to pressure the Mujahideen into accepting Najib's offer, Soviet-Afghan regime forces intensified their military operations in 1986 and 1987. Yet despite the increased Soviet use of airpower and

light troops and a somewhat improved Soviet ability to interdict supplies and personnel crossing the borders, the overall military situation was no more favorable for Moscow in 1987 than it had been in 1984. Indeed, in one important respect it was less favorable.

By late 1987, Gorbachev had determined to put an end to the bleeding in Afghanistan. Stalemate on the battlefield, domestic problems, and a desire to improve relations with the United States spurred him on.

The weapon that had turned the tide in favor of the Mujahideen was the American-made Stinger, a 35-pound, shoulder-fired surface-to-air missile. Large numbers of Stingers were supplied to the Mujahideen in late 1986, at a time when they were suffering very heavy losses and their morale was sagging. Almost immediately, the weapon, "once regarded as far too sophisticated technically for illiterate Afghan rebels to handle and too provocative politically to the Soviet Union to introduce in the Afghan war," turned the tables on the Soviet Union.³

The Stingers changed the course of the war in many important ways. First, their effectiveness "denied the Soviets uncontested domination of the air . . . and . . . dramatically enhanced the operational effectiveness and survivability of resistance units, apart from providing a major boost" to their morale. Second, the Stingers enabled the Mujahideen to exact "a steep price from the Soviets both in terms of lost aircraft and casualties." Finally, the Mujahideen's greatly strengthened combat capabilities "may have contributed to a Soviet realization that they cannot win the war by military means, an important psychological barrier."⁴

Given the Mujahideen's courage and their indomitable spirit, their possession of the Stinger forced Gorbachev to look for a diplomatic way out of the quagmire. Ideally, he wanted a settlement that would enable him to withdraw Soviet troops and would assure him that a pro-Soviet, Communist regime would be permitted to retain or share power in Kabul. In December, 1987, at the Washington summit, he found President Ronald Reagan willing to act as the coguarantor of a settlement. But the American President was insistent on an unequivocal Soviet military withdrawal, with a definite and irreversible timetable.

On February 8, 1988, on the eve of a new round of United Nations-sponsored talks between Pakistan and the Afghan regime in Geneva, Gorbachev announced that the Soviet Union was prepared to begin the withdrawal of Soviet troops on May 15, 1988, "and to complete their withdrawal within 10 months," if a final settlement could be hammered out in Geneva.⁵ Of equal significance was his com-

²This analysis is drawn from the author's essay, "Gorbachev's Middle East Policy — An Interim Assessment," *Soviet Jewish Affairs*, vol. 17, no. 2 (Summer-Fall, 1987), pp. 5-8.

³David B. Ottaway, "U.S. Missiles Alter War in Afghanistan," *Washington Post*, July 19, 1987.

⁴Alex Alexiev, "U.S. Policy and the War in Afghanistan," *Global Affairs*, vol. 3, no. 1 (Winter, 1988), p. 90.

⁵Foreign Broadcast Information Service/Soviet Affairs (hereafter referred to as FBIS/SOV), February 8, 1988, p. 34.

ment that he would be happy to have as a neighbor "an independent, nonaligned and neutral" Afghanistan.⁶ Najib put on the best face possible and lauded the statement; however, in a bid for international support, he said that "national reconciliation and the creation of such a government are a purely internal Afghan matter that should be settled by the Afghans themselves."⁷

For the next two months in Geneva, Moscow tried to get the best deal that it could for Najib. In particular, it insisted on the right to continue to provide arms and assistance to its Communist client in Kabul.⁸ Disagreement in Washington between the White House and the State Department over the concessions the United States should be willing to make in return for a Soviet withdrawal encouraged the tough Soviet position.⁹

The end of Moscow's bargaining game came suddenly. On April 6, 1988, Gorbachev met Najib in Tashkent, along with Soviet Foreign Minister Eduard Shevardnadze, who had been in Kabul discussing the ongoing Geneva negotiations. Two days later, a joint Soviet-Afghan statement was issued, its eight points representing a virtual reaffirmation of the principles for a settlement that had been enunciated by Gorbachev in his statement of February 8.¹⁰ Moscow emphasized its support for Najib, but the statement clearly indicated that the Soviet Union was leaving Afghanistan.

PEACE OR PROLONGED CONFLICT?

After more than six years of intermittent but intensive negotiations under the able guidance of United Nations Under Secretary of State for Political Affairs Diego Cordovez, a series of agreements were signed in Geneva on April 14, 1988, the most important of which called for the withdrawal of Soviet troops from Afghanistan.¹¹ Cordovez showed great skill in guiding the protracted indirect talks between the government of Pakistan and the Communist-puppet regime of Afghanistan, which Pakistan does not formally recognize.

The Geneva package of four separate but interrelated agreements entered into force on May 15, 1988. It is complex and is filled with ambiguities that could still raise new barriers to a quick and peaceful resolution of the Afghan war.

The first agreement was signed by Pakistan and Afghanistan. It calls on the two parties to conduct their relations "in strict compliance with the princi-

ple of noninterference and nonintervention by states in the affairs of other states." The principle of noninterference, in effect, obligates Pakistan to refrain from "the promotion, encouragement or support, direct or indirect, of rebellious or secessionist activities" that are directed against the Kabul regime; Pakistan undertakes to prevent its territory from being used to train, equip, or recruit "mercenaries from whatever origin" for the purpose of waging war against the other signatory.

The principle of nonintervention as compared with noninterference refers to the Soviet troops in Afghanistan and obligates the Afghan government to regulate its own affairs "without outside intervention"; that is, without the aid, support or presence of Soviet troops.

This first agreement has been criticized because, if it were adhered to strictly, it would require Pakistan to cease all support for the Mujahideen and to police the 3.5 million refugees on its soil to ensure that they did not engage in any activity against the Communist regime in Kabul.

The second agreement between Pakistan and Afghanistan calls for the voluntary return of refugees. Pakistan is required to facilitate the "orderly and peaceful repatriation" of the refugees living within its territory; and Afghanistan is required to allow them "to return to freedom" and to enjoy "the free choice of domicile and freedom of movement" within Afghanistan. The main criticism leveled at this accord is that it puts the cart before the horse: in the absence of peaceful conditions in Afghanistan, few of the refugees are likely to return. To develop political stability, the magnet that would draw them back, there must be a non-Communist regime in Kabul.

A third accord, dealing with the interrelationships between the above-mentioned agreements, was entered into by Pakistan and Afghanistan, with the United States and the Soviet Union signing as coguarantors. Under this agreement, the Soviet Union agrees to begin a phased withdrawal of its forces on May 15: "One half of the troops will be withdrawn by August 15, 1988, and the withdrawal of all troops will be completed within nine months." The nine-month timetable for the Soviet withdrawal represents a compromise between Moscow's earlier insistence on an 18-month period and Islamabad's desire for a 6-month period.

The Soviet withdrawal is contingent on all the parties living up to the provisions of the accords—to the stipulations that "there will be no interference and intervention in any form in the affairs of the parties"; that the voluntary return of the refugees will start and will be completed within 18 months; that the Soviet withdrawal will be completed within the designated time; and that the international

⁶Ibid., p. 35.

⁷Ibid., p. 28.

⁸For example, see *The New York Times*, March 11, 1988.

⁹Bryan Brumley, "Deal Faltered on Afghan Settlement," *Philadelphia Inquirer*, March 27, 1988.

¹⁰FBIS/SOV, April 7, 1988, pp. 10-11.

¹¹FBIS/SOV, April 15, 1988, pp. 25-33.

guarantees (see below) will be in operation.

The fourth agreement, a Declaration of International Guarantees, was signed by the Soviet Union and the United States. With the aim of ensuring respect for the "sovereignty, independence, territorial integrity and nonalignment" of Afghanistan and Pakistan, the two superpowers undertake "to invariably refrain from any form of interference and intervention" and to respect the commitments undertaken by Afghanistan and Pakistan toward one another. These guarantees were included at the insistence of the government of Pakistan.

This package of carefully crafted understandings reflected the desire of Moscow and Washington to defuse the Afghan issue before President Reagan's visit to the Soviet Union from May 29, 1988, to June 1, 1988. It gives the Soviet Union a face-saving formula for military withdrawal and gives the United States an outcome that reverses Moscow's expansion in the area and ends the specter of Soviet power entrenched at the Khyber Pass, the historic gateway to South Asia. However, there are serious shortcomings in the agreements, and there is widespread doubt that they will soon bring peace to a devastated and politically divided Afghanistan.

Of the many problems connected with the package, the most pressing is the continuation of the Communists in power. This represents a tacit acceptance of Moscow's claim that the Najib regime is legitimate and permits the Soviet Union to extend assistance to Najib in accordance with the Soviet-Afghan friendship treaties of 1921 and 1978. (There are ambiguities implicit in this situation, because Soviet aid would seem to contradict the accord on nonintervention.) The Mujahideen, of course, have vowed to fight until the Communists are ousted. Thus, the failure to provide for an interim government that would serve as a bridge between the Communist regime in Kabul and a successor that more nearly reflects popular sentiments seems a prescription for prolonged civil war.

The durability of the Najib regime, once all Soviet troops are withdrawn, is questionable. If, as has long been assumed in the West, the Communists have no popular base, they will not last long; they will be overthrown by the Mujahideen, who will then have to sort out their rival claims to power. Visitors to Kabul have reported that some Afghan officials have started relocating their families—in New Delhi, not Moscow.

A very different outcome is postulated by those who think the United States sold out the Mujahideen in the interest of fostering United States-Soviet détente and ensuring that the Gorbachev-

Reagan summit would be held in Moscow as scheduled. This argument holds that the United States could have demanded more than just a Soviet military withdrawal and that the United States is prepared to deal with a Communist regime in Kabul if such a regime can survive without the assistance of Soviet troops.

Another criticism of the Geneva agreements is that they did not include a cease-fire and that they therefore create the possibility of a civil war. Presumably, the Mujahideen will not mount a major offensive against the departing Soviet troops, since it is in their interest to see that Najib is deprived of the protective arm of the Red Army as soon as possible—and certainly no later than February 15, 1989. A Soviet troop withdrawal can only enhance Mujahideen prospects of overthrowing the Najib regime. Still, there is so much hostility toward the Soviet troops that guerrilla attacks on the withdrawing Soviet forces may continue.

At a press conference held for foreign correspondents in Kabul on April 29, 1988, Najib maintained that Soviet military advisers will remain in Afghanistan, even after the withdrawal of troops.¹² But even with such assistance his chances are not rated highly. Prospects for making co-optation work are believed to be slim. Heretofore unsuccessful, Najib is unlikely to attract the cadres needed to institutionalize the PDPA's power, notwithstanding the estimated 40,000 Afghans who have recently returned from the Soviet Union, where they were sent to be trained and indoctrinated.

Either superpower is allowed to continue supplying weapons to its client, should it decide that the other was violating any of the accords. The Reagan administration came under heavy criticism in the Senate for apparently agreeing to the Soviet troop withdrawal without obtaining ironclad guarantees against the possibility that Moscow might supply the Communists with arms after the agreements were signed. Because of this criticism, on the eve of the Geneva agreement Secretary of State George Shultz stated:

We assert confidently our right to supply our friends in Afghanistan as we see the need to do so. And our sense of the need will be affected by whatever restraint we see on the part of the Soviets.¹³

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¹²The New York Times, April 29, 1988.

¹³The New York Times, April 12, 1988.

MOSCOW AND WASHINGTON

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turing the economy.)¹³ The sense of crisis among the post-Brezhnev elite is profound, and there has been consensus that radical change is necessary. The deterioration of the economy had become so catastrophic that it threatened the very authority of the Communist party at home.

Moreover, economic decline threatened Soviet prestige abroad and, if it continued, it would ultimately threaten the very claim of the Soviet Union to superpower status—its military power. Thus, it is probable that the military leadership in the Soviet Union has supported the goal of restructuring. Progressive officers had warned at least since the late 1970's about trends that threatened the Soviet ability to compete in the year 2000.¹⁴

Glasnost (usually translated "openness," but meaning something closer to "publicizing") and demokratizatsia (democratization) are means to this end of perestroika. Gorbachev showed an awareness as early as 1986 that his economic goals

¹³See the article by Marshall Goldman in this issue.

¹⁴Former Chief of Staff Marshal Nikolay Ogarkov took the lead in the early 1980's in making this argument. The best overall treatment of the Ogarkov argument and its importance in Soviet politics is found in Jeremy Azrael's monograph, *The Soviet Civilian Leadership and the Military High Command 1976-1986* (Altadena: Rand, June 1987), R-3521-AF.

¹⁵The public controversy began with a letter attacking Gorbachev's policies from a Leningrad chemistry teacher, Nina Andreyeva, published in *Sovetskaya Rossiya*, March 13, 1988, FBIS-Sov-88, March 16, 1988, pp. 48-53, and was ended by a powerful reassertion of Gorbachev's position by a *Pravda* editorial, April 5, 1988, p. 2. For some good analysis, see Jerry F. Hough, "Around the Kremlin, Days of High Drama," *Los Angeles Times*, April 26, 1988; and Michel Tatu, "Gorbachev's 'Ligachev Problem,'" *The New York Times*, April 28, 1988. Hough and Tatu argue, persuasively, that publication of the Andreyeva letter had been a direct challenge to Gorbachev by Ligachev.

¹⁶Throughout 1987, military spokesmen attacked civilian writing on defense subjects, often by name and article. See, for example, D. Volkogonov, "Imperatives of the Nuclear Age," *Krasnaya zvezda*, May 22, 1987, pp. 2-3; Col. A. Khorev, "Is the Artillery Firing on Its Own Men?" *Ibid.*, August 29, 1987, p. 3.

¹⁷The special nineteenth party conference opened on June 29 and closed on July 1. The Soviet media were dominated by what proved to be a unique political event in the Soviet Union. Real debate was televised and seen by Soviet viewers. FBIS translated much of this material and published it as a series of supplements to its usual *Soviet Daily Report*: FBIS-Sov-88-125S/129S, June 29-July 6, 1988.

¹⁸Gorbachev's report for the Central Committee was carried by *Pravda*, February 26, 1986.

¹⁹His initial speech was made to a Czech-Soviet friendship rally. See *Pravda*, April 11, 1987, pp. 1, 2.

²⁰*Pravda*, July 5, 1988, pp. 1-2. The best general treatment of the economic cause of party-military conflict is found in Abraham S. Becker, *Ogarkov's Complaint and Gorbachev's Dilemma*, (Altadena: RAND, December, 1987), R-3541-AF.

required fundamental changes in the political culture. But it is not surprising that opposition developed to some articulations of these ideas.¹⁵ Military officers have been particularly outspoken against the use of glasnost to "undermine" the patriotism of youth.¹⁶

The special nineteenth party conference also suggested Gorbachev's novomyshlenie ("new thinking.")¹⁷ This is the basis of his approach to foreign policy and national security. The basic ideas were "thrown out" at the twenty-seventh party congress in February, 1986: (1) victory in war is not possible; (2) security must be gained, therefore, by political, not military, means; (3) security cannot be achieved without taking account of the security interests of your adversary as well as your own; (4) only through vigorous arms reductions can this be accomplished.¹⁸ These ideas were not all new, of course; they built on the notion of "peaceful coexistence" articulated by Khrushchev at the twentieth party congress (1956) and were also proclaimed throughout Brezhnev's career. Still, the stress on political means and mutuality of interests was new. Moreover, Gorbachev seemed to acknowledge in his Prague speech in April, 1987, that Soviet military forces had developed asymmetrical advantages in some categories (of course, he and others correctly observed that the United States and NATO also had asymmetrical advantages).¹⁹

The resolutions of the nineteenth party conference went even further. They confirmed a "political approach" to resolving conflicts, approved "improving Soviet-United States relations" and withdrawing troops from Afghanistan, and drew the link between foreign policy and perestroika explicitly.²⁰ The size of the Soviet defense effort had contributed to a revitalization of United States defense spending in the late 1970's and to the election of Ronald Reagan. His commitment to revitalizing the Soviet economy, in part to be better prepared for future military competition if necessary, leads him logically to argue for limits on current military spending.

If Gorbachev's economic goals explain glasnost, democratization and his vigorous pursuit of arms control, they do not quite explain his across-the-board efforts to reduce tensions in other regions. Yet there has been increasingly open recognition that Soviet behavior has contributed to the creation of the "threat" perceived abroad.

How to slow down the merry-go-round of the arms race, now seen as necessary to improve Soviet economic performance? Adopt a set of policies that change the perception of a Soviet threat in the West, thereby undercutting the defense efforts there, which in turn threaten the Soviet Union. Deflate the credibility of those who build their

politics on the image of a Soviet threat. Devillainize the Soviet Union. This is a sophisticated strategy, but Gorbachev has surrounded himself with sophisticated people. Georgy Arbatov, in particular, has been explicit in claiming that Gorbachev's strategy has had as its foundation "altering the face of your [the West's] enemy".

Gorbachev's strategy, then, is to rebuild the Soviet economy. His foreign policy is designed to lessen international tensions, thereby creating conditions less threatening to the Soviet Union and freeing resources for the domestic task.

If Gorbachev continues to cut military forces and tries to transfer economic resources from military uses to civilian ones, it would not be surprising if there were opposition from the professional military. But in the honored tradition of the Soviet armed forces—deference to political authority—there has been no overt opposition to the policies of the political leadership since the summer of 1987.

Nonetheless, the next stage of arms control is pregnant with possibilities for controversy. After the signing and ratification of the INF treaty, it became clear to both NATO and the Warsaw Pact that conventional arms reductions would be required. Within NATO, powerful voices argued that the Warsaw Pact's conventional advantage was so great that NATO would have to build up its battlefield tactical nuclear weapons and conventional weapons to compensate for the loss of INF. A series of debates also developed in the Soviet Union on these same issues.

Gorbachev had recognized the issues as early as his Prague speech in 1987. He had warned against building up conventional arms and had called for further conventional reductions, including asymmetrical ones where the stronger side would reduce more weapons and forces than the weaker. He had also used a term in late 1985 and early 1986—"reasonable sufficiency"—that did not get much attention then but became the center of discussion in 1987. Gorbachev and the Politburo leadership had sanctioned these discussions by raising the issues, but remained above the fray. The debates were complicated and involved differences among military spokesmen and between military and civilian analysts. Two of these issues will illustrate the arguments.

Some civilian analysts had interpreted reasonable sufficiency and the Warsaw Pact's proclamation that its military doctrine was "strictly defensive" to mean that military forces should be restructured to preclude offensive operations. Military officers could not oppose the idea that doctrine is "defensive," after all, that was state and alliance policy. But they did mount a two-fold rear-guard action, and in doing so made it clear that they were not

traditional Soviet doctrine and operational tactics happy about having civilians meddling in matters of military-technical and operational doctrine. They argued that Soviet forces were just sufficient, given the NATO threat. And, they also asserted, as had always claimed, that a "defensive doctrine" did not preclude vigorous "counteroffensives" and dealing the enemy a "crushing blow." The differences were real and had powerful implications for conventional arms control. It was, of course, the Soviet practice of having forces sufficient to deliver a "crushing blow" that had created the imbalances in conventional arms, especially armor, and was a major cause of concern for NATO.

The second issue was even more controversial. Some civilian analysts had argued that the way to deal with conventional asymmetries, which even Gorbachev recognized, was to take vigorous initiatives of the kind tried in theater and strategic nuclear arms control. In this case, they argued against matching United States and NATO force developments; instead, they advocated asymmetrical responses when the other side developed new systems. They also argued for "unilateral reductions" in weapons and forces where the Warsaw Pact had advantages. These ideas seemed to be taken seriously even by some analysts in the United States government, which was so worried that Gorbachev would make an announcement of unilateral withdrawal of Soviet forces from Hungary when he visited Poland in July, 1988, that it leaked the possibility to the press. Gorbachev did not take unilateral actions at the Warsaw Pact meetings in mid-1988, and the reason may have been public and vigorous military opposition at home to unilateral cuts.

If the Soviet Union does not attempt unilateral measures, conventional arms negotiations are likely to drag on for a very long time. The issues are complicated, and many have been discussed in the Vienna Mutual and Balanced Force Reduction negotiations since the mid-1970's. A series of meetings between representatives of the Warsaw Pact and NATO have taken place in Vienna under the auspices of the CSCE follow-on talks. These so-called "mandate talks" on conventional arms reductions from the Atlantic to the Urals have not yet produced an agreed forum, let alone a framework for alliance-to-alliance negotiations.

Nonetheless, the Gorbachev record of foreign policy initiatives is impressive. His strategy of reducing the costs of national security and devillainization of the Soviet Union may well suggest further initiatives in conventional arms control. The negotiations on these issues may well make some unilateral moves at the margins of the conventional balance in Europe attractive to Moscow. ■

SOVIET WITHDRAWAL FROM AFGHANISTAN

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Finally, there is no recognition of the role of the Mujahideen. The failure to mention them in the agreements is akin to explaining the operation of an automobile without referring to gasoline. The Mujahideen are the explosive ingredient accounting for the heavy toll on Soviet and Afghan Communist forces and resources; they are the key to war and peace in Afghanistan.

In Pakistan and elsewhere, "Some observers have expressed the opinion that with the withdrawal of Russian troops, the infighting among the Afghans of which there have been some instances may intensify" and enable Najib to consolidate his position. Mujahideen leaders, however, debunk suggestions that the differences among the seven political parties that make up the alliance (as the coalition based in Peshawar in Pakistan is called) might give Najib a chance to survive and enforce his claim to represent Afghanistan.¹⁴ They scoff at Najib, although he "has shown a confidence that one may find unbelievable but which cannot be easily brushed aside."

DEPARTURE OR DELAY?

The Soviet Union has paid a stiff price in military personnel for its imperialist policy in Afghanistan. On May 25, 1988, the Soviet government ended its policy of secrecy about the number of Soviet casualties. At a press conference, General Alexei D. Lizichev of the Ministry of Defense disclosed that "13,310 soldiers had been killed, 35,478 were wounded and 311 were missing."¹⁵

The economic costs are difficult to estimate. Over the years, Moscow has used vast amounts of military equipment: artillery, armored personnel carriers, helicopter gunships and so forth. The figure of \$1 billion a year in expenses may be on the low side, since infrastructure improvements like airfield runways, fuel and ammunition depots, underground bunkers and security maintenance must be included. Moreover, Moscow has had to provide food and development assistance to the Najib

¹⁴Muzaffar Hasan, "The Geneva Accord," *Pakistan & Gulf Economist*, April 23-29, 1988, pp. 9, 11.

¹⁵*The New York Times*, May 26, 1988.

¹⁶Craig Karp, "Afghanistan: Eight Years of Soviet Occupation," *Department of State Bulletin*, vol. 88, no. 2,132 (March, 1988).

¹⁷M. Siddieq Noorzoy, "Soviet Economic Interests in Afghanistan," *Problems of Communism*, vol. 36, no. 3 (May-June, 1987), p. 54.

¹⁸FBIS/SOV, May 16, 1988, p. 21.

¹⁹This view was expressed by Under Secretary of State Michael Armacost. See *Washington Times*, May 20, 1988.

²⁰FBIS/SOV, May 17, 1988, pp. 32-33.

regime. In 1987, Soviet budgetary support for the Afghan economy totaled about \$600 million.¹⁶ However, the Soviet exploitation of Afghan natural gas has helped "defray the cost of the Soviet occupation": Moscow pays the Afghans little for their natural gas, which is used in Soviet central Asia; it then sells Soviet-produced gas to East and West Europe. Thus the natural gas supplied by Afghanistan contributes "indirectly to the hard-currency earnings of the U.S.S.R."¹⁷

The Soviet troop withdrawal is proceeding just about on schedule; it may be slower than expected, but there is no warrant for skepticism about Gorbachev's determination to withdraw.

On May 15, the day the troop withdrawal began, *Izvestia* published a "Joint Soviet-Afghan Statement," stressing the importance of

the traditional historic friendship between the two countries, which has become particularly firm and tempered during years that have been hard for Afghanistan and which has been sealed by the blood of Afghan patriots and Soviet internationalist servicemen jointly shed in the name of the country's bright future.¹⁸

But according to the statement, Moscow believes the Afghan problem can be solved by the Afghans themselves. This has led some analysts to believe that Gorbachev is signaling Najib not to expect a Soviet bailout. Gorbachev will apparently leave ample stockpiles of military equipment behind; he may well leave a significant number of "advisers."¹⁹ But the recommitment of combat forces seems out of the question. *Pravda* quoted the commander of Soviet forces in Afghanistan, Lieutenant General Boris V. Gromov, as saying that, through their attacks on Soviet forces, the Mujahideen could "influence the implementation of the Geneva agreements, but not to such an extent as to wreck the withdrawal schedule."

Concerning the withdrawal schedule, the commander [Gromov] reported that more than one-half of the contingent [that is, the total Soviet force strength in the country] . . . will leave Afghanistan during the first three months. Troops will leave 11 of the 18 garrisons, that is, they will leave 9 of the 14 provinces where they have been up until now. They will hand over to their Afghan friends more than 170 fully equipped military camps.²⁰

The implication of his remarks is clear: having started the withdrawal, the Soviet leadership will adhere to the timetable, barring unforeseen, disruptive attacks on Soviet forces. By June, it was reported that Soviet forces had left the province of Nangarhar, contiguous to Pakistan and therefore important to the Mujahideen supply chain. Cap-

ture of its capital, Jalalabad, would give the Mujahideen the opportunity to establish an interim government on Afghan soil and might encourage widespread international derecognition of the Kabul regime. This would seriously weaken Najib's bid for a stalemate. In addition to the Soviet Union, India has thrown its diplomatic support behind Najib, out of fear that his replacement by a fundamentalist Islamic regime would spell trouble for India, with its 100-million Muslim minority.

Will the alliance, the coalition of seven Sunni parties created in 1985 and based in Peshawar, work together? Will the coalition coordinate its military efforts to oust the Najib regime? Will the seven parties cooperate in the development of a broad-based political program that would permit them to form a transitional government? What role will be played by the leading Mujahideen commanders in the field, whose real political sentiments and ambitions are not known?

Civil war cannot be ruled out. It is common knowledge that "in some places . . . the Mujahideen have lost more men fighting each other than they have fighting the Soviets."²¹ In late February, 1988, the alliance presented a series of proposals for a transition government. Under its plan, Cabinet posts in the new government would be allocated primarily to representatives of the Peshawar-based political parties. However, the key military commanders, like Ahmad Shah Masood, Ishmael Khan, and Abdul Haq, may not be willing to go along. Abdul Haq, for one, has already declared his opposition to "such a government being announced at this moment, because our first aim is Kabul, which is occupied by a foreign oppressor and an illegal government."²²

Besides their hostility toward communism and the Russian invaders, the political views of top Mujahideen leaders are not known. How they relate to one another in the reconstruction of an independent, nonaligned Afghanistan is of critical importance. ■

²¹Afghan Information Centre (Peshawar, Pakistan), *Monthly Bulletin*, no. 85 (April, 1988), p. 24.

²²Ibid., p. 34.

PERESTROIKA

(Continued from page 316)

Implementation of the Enterprise Law reflects this dilemma. It is all well and good to announce that the role of central planning in the ministries will be reduced, but who will control the decision-making process? When and if the Enterprise Law is fully implemented, the enterprise manager will base his decisions as to what, how and for whom to produce on the costs of inputs and the price of outputs in the market. The presumption is that these

decisions will no longer be made for him by central planners and by Gosplan in Moscow. But how is the manager to be weaned away from Gosplan? Among other considerations, few Soviet managers have had experience in decision-making. Nor are the costs and prices evolving from the market a true reflection of economic forces today. Most prices in the Soviet Union have at one time or another been centrally set; therefore, Soviet prices are not yet a clear reflection of market forces.

If managers begin to respond to the prices they encounter, the managers will make misguided decisions, some of which will cause distress and ill-advised profit-making. Prices should be allowed to reflect a more meaningful balance between supply and demand. But were this to happen, it would almost certainly spark a rise in prices and inflation. And without continuing subsidies, many enterprises that now receive subsidies would go bankrupt. That would cause unemployment and the abandonment of factory buildings and equipment.

Politically, this would be very dangerous. No wonder, then, that Gorbachev has proceeded cautiously. The Enterprise Law was implemented, but price reform was not; thus enterprises were confronted with faulty price signals, which meant that central planning controls had to be retained and subsidies continued. Until Gorbachev makes the leap to price reform and inflation, he will find himself with the worst of both worlds. There will be continuing interference from the center over quantity produced and price charged, and enterprise managers will lack meaningful decision-making tools. For the time being at least, managers often find themselves more confused than ever over whether their actions are in the best interests of the country.

This confusion explains in part the disappointing economic results generated thus far by Gorbachev. On top of everything else, Gorbachev is encountering opposition from Soviet bureaucrats who block his initiatives. Some oppose them for purely personal reasons; Gorbachev has threatened their powers and, in some cases, the reform will lead to the elimination of their jobs. In other cases, there is genuine disagreement over the merit of such reforms and whether those reforms are good or bad for the Soviet Union. On occasion, the opposition has taken the form of outright sabotage. Thus, when one of Gorbachev's deputies began to shake up the Moscow bureaucracy and at the same time to introduce measures to increase the city's food supply, those opposed to the reforms did their best to discredit the whole effort. According to Mikhail Poltoranin, a former editor of *Moskovskaia Pravda*, those fighting the reforms actually left the food "to rot in warehouses instead of distributing it. There

were also train loads of foodstuffs that came from the Caucasus and were sent back without being unloaded.⁸ The reasoning was that if food supplies worsened, and they did, then support for the reforms would suffer, and it did.

No wonder that after an initial spurt in output, the rate of growth of the economy seemed to slacken. This also explains Leonid Abalkin's complaint at the nineteenth party conference that

It is important to make it emphatically clear that there has been no radical breakthrough in the economy. . . . in the past two years, the national income . . . has grown at a slower rate than in the stagnation [the Brezhnev years of 1981-1985].⁹

For the consumer, of course, what happens to the rate of growth is important, but even more important is what happens to the output and availability of consumer goods, especially those products that end up on the kitchen table. If anything, the situation in the kitchen is even more serious. In Abalkin's words, "The consumer goods market has deteriorated." By that he meant that in 1987 potatoes and vegetables were actually scarcer than they had been in 1986.¹⁰

This dismal situation was aptly described at the nineteenth Communist party conference by a steel mill employee who asked directly, "Where is perestroika?" As he saw it, after three years, nothing had happened to improve the well-being of the average person. The steel mill employee added, "The situation is the same with food in the shops, except that now we also have sugar rationing. Meat is still unavailable, as it has been unavailable for a long time, but nonfood consumer items also disappear periodically."¹¹

Gorbachev hoped that the nineteenth party conference would reawaken the determination of the Soviet people to move forward with economic reforms. In addition, by asking for the removal of party officials from the day-to-day operations of the government, Gorbachev hoped to reduce bureaucratic interference. To some extent, he succeeded. Certainly the party conference produced an unprecedented outpouring of interest and open discussion. Nothing quite like this had been seen in the Soviet Union in six decades. But while glasnost and political openness approach full bloom, perestroika and economic reforms seemed stalemated.

Gorbachev has nothing to show economically after three and one-half years of effort. This has caused a deep sense of frustration and disillusion-

ment among the Soviet people. If morale continues to deteriorate, it will become harder for Gorbachev to arouse public support for perestroika. It would probably have been different if Gorbachev had been able to show concrete results immediately. His mistake, as was pointed out earlier, was that he did not begin the reforms in agriculture. The Soviet obsession with industry (and the machine tool industry, in particular) has turned out to be a very serious matter that is not easily corrected.

Although Gorbachev has apparently come to see the error of his ways, he is having trouble trying to make up for lost time. Thus he has asked the peasants to set up their own private farming operations, but so far very few have responded to his offer. The peasants are worried that these new policies may change one day and that, as in the 1920's, successful peasants and kulaks may once again be pilloried for being too successful. The fact that conservatives continue to attack the kulaks suggests that such concerns may be warranted.¹² Nor does Gorbachev help his cause by issuing calls for change unaccompanied by specific measures.

The same criticism should be made about Gorbachev's call for price reform. He continues to support price reform but backs away as he senses the political consequences of his proposal. In the meantime, he creates a sense of the inevitability of the change, almost as if it had already happened. But, as in agriculture, he has failed to introduce specific measures to implement the reforms. As a consequence, the Soviet people have begun to believe that price reform and inflation have already begun, even though in fact Gorbachev has not yet dared to make the radical reforms he insists are inevitable. In other words, real economic reforms seem as remote as ever.

If the Soviet people are going to support Gorbachev's reform process, they must see some personal advantage. So far, they have apparently not been convinced. Nor is there much prospect for change in the near future. When asked on Soviet television what perestroika meant to him, a Soviet worker responded, "It means I work harder for less." If Gorbachev is to succeed, he will have to reverse that equation, and soon. ■

SOVIET TRADE POLICY

(Continued from page 332)

asures, the establishment of joint ventures, expansion of scientific and technological exchanges, and participation in international economic organizations are all issues likely to arise if Gorbachev's interdependence policy proceeds; in response to these issues, the United States must consider how to assure mutual benefit and achieve a balance among

⁸Radio Free Europe/Radio Liberty, RL224/88, May 31, 1988.

⁹Pravda, June 30, 1988, p. 3.

¹⁰Sotsialisticheskaya industriya, January 24, 1988, p. 3.

¹¹The New York Times, July 1, 1988, p. 87.

¹²Sovetskaya Rossiya, March 13, 1988, p. 3.

security, political and human rights requirements and economic gains.

JOINT VENTURES

United States President Ronald Reagan and General Secretary Mikhail Gorbachev, in their final statement at the December, 1987, Washington summit, concluded that "commercially viable joint ventures complying with the laws and regulations of both countries could play a role in the further development of commercial relations."¹⁷ Whether the opening of the Soviet Union offers profitable opportunities to United States firms will probably depend on the independent negotiations of the firms, the extent of the economic reforms instituted in the Soviet Union, and the atmosphere created by the discussions of the two governments.

The experience of the United States firms most actively engaged in joint venture discussions indicates that Soviet leaders are interested in infusing into their economy Western management techniques, technology, quality control and access to marketing networks. In this respect, Soviet leaders appear to be most interested in joint ventures that will offer "systems improvement" and will remove critical bottlenecks in the Soviet economy, particularly in the energy, petrochemical, pharmaceutical, automotive and agro-industrial sectors. These priorities are reflected in the announcements from the first major U.S. firms that intend to sign joint venture contracts.¹⁸

While these ventures will apparently manage the repatriation question primarily by receiving payment in product, rather than in hard currency, the announcement in April, 1988, of an American Trade Consortium for negotiating joint ventures with the Soviet Union suggests another strategy for overcoming these obstacles. Made public during the annual meeting of the United States-Soviet Trade and Economic Council in Moscow, the consortium is currently made up of seven United States firms: Ford Motors; Johnson and Johnson; Eastman Kodak; R.J.R. Nabisco; Chevron; Archer Daniels Midland; and the Mercator Corporation (a New York merchant bank). By negotiating a framework agreement with the Soviet government within which each company's joint ventures would operate, the consortium may be able to minimize bureaucratic obstacles and coordination problems. Furthermore, the arrangement may allow repatria-

tion to be determined for the consortium as a whole, rather than by individual contract, so that hard currency may be obtained from hard-currency-earning profits in compensation for ruble earnings of projects operating in the Soviet domestic market. Although such an agreement has not yet been finalized, the consortium members are actively negotiating their own projects.

These various joint venture announcements and negotiations represent a significant development in the potential scope and character of United States-Soviet commercial activity. Still, questions of how to ensure adequate quality control, sufficient and timely supplies of necessary materials and labor, rates of taxation and the valuation of Western contributions all remain thorny issues. Furthermore, the development of joint ventures will bring to the forefront the issues of credit policy, export control policy, and trade facilitation measures such as MFN, antidumping, and countervailing duty law.

CREDIT

The extension of United States government credit to the Soviet Union is currently limited by provisions of the Trade Act of 1974 (P.L. 93-618) and the Export-Import Bank Act (P.L. 93-646). The Jackson-Vanik amendment to the Trade Act links the granting of official credits to Soviet emigration performance; thus, a waiver of the Jackson-Vanik provisions would be necessary to make United States credits available. Even then, the level of funds is further limited by legislation. Should the Soviet Union request above-ceiling credits, they could be granted only by a presidential statement of national interest, subject to congressional approval.

Despite limitations on official credit to the Soviet Union, the availability of commercial bank funds to the Soviet Union and to other Eastern bloc countries has also become an issue in the debate on East-West trade policy. The prospect of increasing Soviet activity in Western capital markets has raised concerns about "untied" or "preferential" funds made available to the U.S.S.R. that could be channeled to other purposes that may be adverse to the national interest. Reflecting this concern, Senators E.J. (Jake) Garn (R., Utah) and William Proxmire (D., Minn.) have proposed legislation, the Financial Export Control Act (S. 786), to permit the President to control private commercial credits to countries subject to national security controls.

Although the Reagan administration has opposed the Garn-Proxmire legislation, in 1988, concern over the credit issue appears to have heightened as Soviet initiatives and Western business response have grown. In particular, the availability of a \$2.1-billion line of credit to the Soviet Union from the West German Deutsche Bank for pur-

¹⁷Joint U.S.-Soviet Summit Statement, December 10, 1987; Joint Statement between the United States and the Union of Soviet Socialist Republics, Issued Following Meetings in Moscow, May 29-June 1, 1988.

¹⁸For details on the United States firms involved in joint ventures, see John P. Hardt and Jean F. Boone, "U.S.-Soviet Commercial Relations in a Period of Negotiations," *Congressional Research Service Issue Brief IB88065*, regularly updated.

chases of consumer goods and food industry equipment spurred a negative reaction from both the Reagan Administration and the Senate.

Unease over the use of various financial mechanisms of trade, if translated into a United States policy of controlling commercial credit and accompanied by pressure on United States allies, would dampen the environment for expanded trade, regardless of the actual effectiveness of unilateral controls in stopping financial flows.

In the 1980's, an active debate has taken place in the United States and among the United States and its allies over export control policy and the appropriate balance between economic concerns and security concerns. In the context of a changing global economy in which United States technological dominance has waned, increasing United States concerns about maintaining competitiveness and new initiatives by the Soviet Union and East European nations to expand East-West commercial relations, the issue has taken on new urgency. Building on the conclusions of a blue-ribbon National Academy of Sciences panel, reformers suggest that development of a Western control policy that is fully multilateral and narrowly targeted to militarily critical goods and technologies is necessary for competition in East-West trade. More limited use of sanctions and controls for foreign-policy purposes is also considered by many to be an important condition for creating a stable and predictable contractual environment for United States-Soviet joint ventures and long-term production agreements.

Import controls constitute an additional area of policy influencing United States-Soviet trade potential. Currently, Soviet exports to the United States are constrained by the absence of United States tariff privileges (MFN status) as well as by specific import restrictions like the ban on the import of certain Soviet furskins.¹⁹ The Jackson-Vanik Amendment to the Trade Act of 1974 makes the granting of MFN status to Communist countries contingent on the emigration policies of these nations. As the levels of Soviet emigration have risen since 1986 and certain improvements in human rights and emigration appear to be taking place, there has been renewed discussion of what conditions would justify granting limited concessions, like a one-year presidential waiver of the Jackson-Vanik amendment. While certain modifi-

cations may be considered if significant Soviet improvements become evident, any effort to repeal the amendment altogether would probably be viewed as a renunciation of the United States commitment to human rights.

PROSPECTS FOR THE FUTURE

What do these various developments suggest for the future of Soviet trade, particularly trade with the United States? While the Soviet Union's interdependence policy and American competitive initiatives may seem to promise increased economic relations between the superpowers, the trend of small-scale, unbalanced trade is likely to continue unless there are major qualitative changes in the policy framework, implementation and commercial culture of each of the countries.

In the Soviet case, ad hoc joint venture agreements, even if they are arranged through consortia with especially favorable conditions, are not likely to create a trading relationship that is conducive to significant Soviet benefits and to United States profits. To make such a relationship possible, qualitative changes on the Soviet side are needed, which should include:

- A key import strategy that reflects current priorities of food processing, medical supplies and equipment, and housing, with a long-term focus on imports that improve efficiency in material output (the energy chain) and provide entry into the world machinery market (automobiles).
- The establishment of foreign commerce enclaves. These enclaves would be in the form of sectoral or special regional zones and would foster the development of a new export-import culture.
- A flexible balance of payments policy, one that emulates successful Western experience.

On the United States side, modification of declared policy and legislation that is merely modest leaves the environment for capital goods trade too risky for long-term, large commitments by American enterprises and banks. The continued use of foreign policy controls for political reasons—sanctions and embargoes—would probably preclude a major increase in United States-Soviet commerce. Furthermore, the United States proclivity for imposing extraterritorial reach, if maintained, might not effectively restrict Western commerce with the Soviet Union, but would dampen its expansion and exacerbate alliance tensions. Thus, an agreed alliance policy on East-West trade and continued improvement in the overall political relationship of the superpowers are critical elements in a qualitative change in United States-Soviet commercial interaction. ■

¹⁹Under the Trade Agreement Extension Act, enacted in 1951, the importation of seven types of Soviet furskins is banned (China was also originally covered but the ban against Chinese imports was removed in 1983). Although the United States agreed in 1985 to revoke the ban on Soviet furskins in exchange for better access for United States business to Soviet foreign trade organizations, the necessary legislation has not been approved.

GLASNOST

(Continued from page 324)

The most audacious and far-reaching criticisms of recent economic policies have come from Vasili Seliunin. In early 1987, this economist coauthored a blistering attack on Soviet statistics, pointing to deliberate and systematic dissimulation, fabrication and concealment over the years.²⁵ In January, 1988, he took issue with Abel Aganbegian, the academician generally regarded as the architect of Gorbachev's perestroika policy.²⁶ Seliunin specifically rejects the growth model introduced and imposed on Soviet society by Stalin.

As matters stand, even if Gorbachev succeeded in raising overall economic growth by five percent a year, the average worker's monthly pay would increase by a mere 1.5 rubles (approximately \$2.40). Because heavy industry produces the lion's share of total output, the additional 1.5 rubles per month in disposable income would not provide much of an incentive. Wages have been rising at a rapid rate, while the proportion of total output provided by the consumer-goods sector has shrunk. The end result has been a rapid increase in savings, since people know "there is nothing on which they can spend money." Without more realistic stimuli, even Gorbachev's perestroika will fail, Seliunin concludes. This is an astonishingly bold critique of the General Secretary's "new thinking."²⁷

CONCLUSION

The policy of glasnost is at once exhilarating and risk-laden—both for the Soviet system in general and for Gorbachev in particular. Whatever his intentions may be, the General Secretary cannot be sure that the energies he is releasing will remain within manageable boundaries. If, as some believe, "the truth shall make you free," what are the implications of glasnost for the Soviet elite, the Soviet masses, and the governments and peoples of East Europe?

First, glasnost involves something different from free speech or a free press. The Soviet media still treat "news" about the United States, West Europe, and the Middle East in a tendentious manner. Capitalism remains inherently evil, is inevitably transformed into "imperialism," and continues to represent a clear and present danger to world peace. The United States, while obviously a rich country, is depicted primarily in terms of poverty, unemployment, racism, crime, drug abuse and political exploitation.

²⁵*Novy mir*, no. 2 (1987).

²⁶*Sotsialisticheskaya industriya*, January 5, 1988.

²⁷*Ibid.*

Second, glasnost as a policy has been designed and carried out by Gorbachev as an instrument of factional politics. The struggle between "truth" and "falsity" is a highly sophisticated technique for conducting a purge. If, as Stalin once put it, "cadres decide everything," the new General Secretary is determined to replace one set of rulers with another. Advocates of "new thinking" are almost a party within the party; through glasnost, they can demonstrate that those who resist Gorbachev are wicked, corrupt, slothful, self-indulgent or whatever. It may sound modern and progressive to use the terms glasnost and perestroika to criticize "old ways of thinking" (rather than "wreckers" or "deviationists")—but a purge is a purge. Gorbachev is involved in a desperate effort to oust one elite and to bring in another, and selective use of "openness" is a clever political tactic.

Third, evidence of bureaucratic resistance to Gorbachev's innovations is as ubiquitous as it is predictable. As Marx and Engels observed in a very different context a century ago, "No ruling class ever voluntarily gives up state power." Why would central planners, powerful representatives of other government agencies or, for that matter, members of the party and state *apparatus* in general be willing to give up their authority and their very *raison d'être*? If Gorbachev and his allies see glasnost as a way to help shift priorities and personnel, their bureaucratic adversaries are no less sensitive to the implications of this style of government. Gorbachev wants their jobs, and so do they.

Fourth, a serious, sober appraisal of the fruits of perestroika to date—which is what openness should require—underscores the General Secretary's lack of success. As of mid-1988, economic restructuring has resulted in turmoil, continuing (or greater) shortages and queues, worker unrest and—it would appear—a declining standard of living. This is hardly a ringing endorsement of perestroika or of Gorbachev's more general demands for spontaneity, initiative and candor.

Finally, the policy of openness, like so many other dramatic innovations, seems to have brought about a revolution of rising expectations. Demands have already been articulated and behaviors have been initiated that go far beyond what Mikhail Gorbachev actually speaks of in his "revolution from above." This is especially evident in the sphere of ethnic relations, where the General Secretary's policies have exacerbated tensions rather than ameliorating them. By accepting protests in Armenia and Azerbaijan as legitimate—indeed, by agreeing to mediate among the contending parties—Gorbachev did not "solve" the problem of the Nagorno-Karabakh Autonomous Region. More likely, he contributed to fissiparous tendencies within the

Soviet Union, offering members of other ethnic groups a precedent that some have already chosen to follow. Publicity has encouraged like-minded minorities in the Baltic states, the Transcaucasus, central Asia and elsewhere to express their own frustrations and demands.

Even if the General Secretary manages to contain rather than stimulate and reinforce centrifugal pressures throughout the multinational empire, he may well cause his colleagues in the leadership such anxiety that they will bring about his early retirement, rather than allowing him to bring about theirs. ■

POLITICS AND REFORM

(Continued from page 320)

telligentsia. More than any other group, the intelligentsia has been the major political force supporting Gorbachev's efforts to democratize Soviet politics. Yet the intelligentsia poses one of the greatest threats to Gorbachev's program. The problem lies in the explosion of political participation that has taken place within the intelligentsia and the system's ability to accommodate that explosion.

Successful reform is a dual process. It must break down existing institutions and mobilize citizens out of accustomed roles while creating new institutions to integrate conflict and to channel participation. Gorbachev's democratization program has been relatively successful in achieving the first part of this process. The monopolistic position of Soviet institutions has been eroded, and the rate of autonomous political participation has mushroomed. Much of this participation, however, is taking place outside official channels.

There are now some 30,000 unofficial groups spanning the political spectrum in the Soviet Union. Even an alternative political party has been formed—the Democratic Union—encompassing opposition groups from around the country. Unofficial political groups have actively recruited members and have staged demonstrations, encountering little more than occasional police harassment. They have been particularly attractive to young people. Even the son of the head of Komsomol, the Soviet youth movement, has refused to join his father's organization, preferring to participate in unofficial youth groups.

In other words, the Soviet system faces competition for the political loyalties of its citizens. The Communist party must recapture these loyalties or see them captured by other groups. The most important question facing the party in an age of glasnost is whether it can create new institutions capa-

ble of recapturing the loyalties of its citizens or whether it will lag behind society, ultimately losing control.

Whether autonomous participation can be institutionalized on the basis of a single-party system is an open question—one that is being raised by the liberal intelligentsia and even by members of the party. As Leonid Abalkin, one of Gorbachev's economic advisers, boldly stated the issue at the nineteenth party conference: "Can we, while retaining the Soviet organization of society and a one-party system, ensure a democratic organization of political life?"¹¹ Abalkin was criticized by Gorbachev for his "pessimism," one indication that the party is not yet ready for this openness. Still, a number of influential voices have been raised in favor of creating a mass organization outside the Communist party that would unite and mobilize citizens regardless of whether they belong to the party, much like front organizations in East Europe. A similar Patriotic Front was recently created in Estonia.

By opening up Soviet politics, Gorbachev has unleashed forces in Soviet society beyond his comprehension or control. Democratization brings with it the danger that the strong forces of society will penetrate deep into the Communist party, splintering it into nationally based or ideologically based factions. This process is already occurring, as the raucous proceedings of the nineteenth party conference testify. Stunted reform, in contrast, runs the risk that the system of government will lag behind society at a time when citizens are learning not to fear the consequences of freer expression. The result could resemble Russian society at the end of the nineteenth century, a society whose deep fissures could not be controlled.

Where is the slippery slope of reform likely to lead? In many respects, events are no longer being determined by a small coterie of leaders in Moscow, but are rather the product of the preferences of a highly pluralized society that is only beginning to reemerge after 50 years of suppression. How these preferences play out will be one of the most exciting phenomena of the late twentieth century. ■

SOVIET "NEW THINKING"

(Continued from page 312)

words are translated into concrete policy. At the same time, one must avoid setting unreasonable standards that cannot possibly be met without the Soviet Union's renunciation of its role as a major world power. The adoption of unrealistic criteria as a benchmark for judging Soviet behavior leads to a meaningless all-or-nothing approach. Thus, it would be a mistake to argue that, because the Soviet Union has not torn down the Berlin Wall, has not pulled all its troops out of East Europe, has not

¹¹*Pravda*, June 30, 1988, p. 4.

abandoned its clients in the third world, and has not permitted unrestricted emigration, meaningful changes are not occurring in Soviet foreign policy.

The reform of Soviet foreign policy is slowed by many factors, including the time-consuming demands of urgent domestic problems. It is difficult to forge a new conception of the Soviet Union's role in world affairs. There is continued resistance from vested interests and conservative forces, and the leaders worry that if Moscow begins to retrench, the West will take this as a sign of weakness and push for even more concessions. The stakes are exceedingly high for Gorbachev. A single major misstep could weaken the coalition supporting reform in the Soviet Union and might even jeopardize his position as General Secretary. For all these reasons, Moscow is bound to move slowly in implementing a new approach to East-West relations.

In view of these factors, it seems clear that words are being translated into deeds at a reasonable pace. The Soviet Union has abandoned its costly investment in SS-20 missiles and has agreed to a treaty on intermediate-range nuclear forces (INF) that requires Moscow to give up many more missiles than the United States. The obstacles to East-West relations imposed by Soviet secrecy are also lessening under Gorbachev. Moscow has allowed unprecedented levels of on-site verification as part of the INF treaty and is more open about some of its military systems.

The Kremlin has also acknowledged that its intervention in Afghanistan was a costly error and has begun withdrawing its troops. Although it runs counter to traditional Soviet instincts, Moscow seems prepared to live with the possibility that its clients in Kabul may be overthrown and that an unstable, unfriendly government may come into being on its borders. There is also clear evidence that the Soviet Union wants to become a more constructive member of the international community by assuming a more active role in the United Nations, by improving ties with the European Economic Community, and by seeking a closer association with major economic organizations like the International Monetary Fund, the World Bank and the General Agreement on Tariffs and Trade.

TRENDS AND PROSPECTS

Three important themes in Gorbachev's pronouncements on international politics have not received sufficient attention in the West. First, Gorbachev has greatly deemphasized the traditional *kto-kogo* (who will defeat whom) perspective of Marxism-Leninism that pictures the Soviet Union, representing the forces of socialism and progress, pitted against a hostile imperialist camp headed by the United States. This confrontational imagery

has been largely superseded by a new vision, in which all humanity is viewed as equally menaced by the danger of accidental nuclear war, by an arms race that is out of control, and by rampant technology that threatens to become the master rather than the servant of mankind. Instead of stressing the struggle against imperialism, Gorbachev emphasizes the need to cooperate with other nations to avert the common dangers that we all face.

Clearly, one of the reasons for this new stance is a desire to improve Moscow's image in the West. However, it would be a serious mistake to assume that only public relations is involved. Reading Gorbachev's pronouncements, one gets the sense that he is leading a genuine search for a new identity for the Soviet Union. Just as he has recognized that the traditional administrative-command approach to the economy has brought the Soviet Union to a dead end, so he seems to realize that a posture of unrelenting hostility to the capitalist world condemns the Soviet Union to a position of growing irrelevance in international affairs.

A second important shift in the Soviet approach to international affairs is that Gorbachev is far less concerned than former Soviet leaders with maintaining the Soviet Union's position as the leader of an international revolutionary movement. The themes of international revolution and wars of national liberation have receded. For a variety of reasons—including China's increased moderation, the decline of revolutionary opportunities in the third world, and the Soviet Union's preoccupation with its domestic problems—Gorbachev is far less concerned than his predecessors with the need to demonstrate his revolutionary militancy and to defend his positions against criticism from the left. As a result, Soviet policymakers are freer to explore constructive East-West cooperation.

A third important change is the shift in priority away from foreign policy toward domestic concerns. Under Brezhnev, it was complacently assumed that the Soviet Union's most pressing domestic problems had been solved and that the country could and should bear the massive costs that were necessary to make the Soviet Union a superpower second to none. This perspective is changing. Instead of subordinating domestic policy to an ambitious foreign policy, the Soviet leadership is increasingly stressing the fact that foreign policy must be framed to support the central concern of Soviet life, a tranquil international environment that will allow the Soviet Union to reconstruct its economy, its political system and its society.

There is a heightened awareness of the staggering costs of the arms race and the immense price the Soviet Union has paid for its neglect of economic efficiency and its standard of living. Because of glas-

nost, it has become much more difficult for the Soviet leadership to ignore the massive socioeconomic problems that confront Soviet society. Now that it is openly stated that the Soviet Union ranks fiftieth in the world in terms of infant mortality, that the Soviet abortion rate is several times higher than abortion rates in other developed nations, and that the productivity of Soviet agriculture and industry is far below that of the United States, Soviet policymakers can no longer pretend that the Soviet people enjoy the best of all possible worlds.

It is true, of course, that there have been earlier periods of retrenchment that have been followed by renewed international belligerence. This happened after the termination of the New Economic Policy (NEP) in 1928 and again in the late 1950's after Khrushchev had consolidated his power. Experience demonstrates the need for caution in assessing the long-term implications of Moscow's current preoccupation with its domestic problems. At the same time, there are fundamental differences between current trends and historic developments.

As part of his fundamental reinterpretation of the past, Gorbachev has repudiated three central assumptions of orthodox Marxism-Leninism: the supposed infallibility of the Communist party, the rejection of pluralism and the deep mistrust of spontaneous action by the masses. All this has led to a newfound modesty about Moscow's mission in world affairs, reflected in the fact that Gorbachev has explicitly rejected the claim that the Soviet path to socialism should serve as a "model" for the rest of the world.¹⁹ The searching reexamination of Soviet history, the shedding of the arrogant assumption that Soviet socialism should be the model for the world, and the growing public criticism of traditional Soviet foreign policy are major developments that promote a new Soviet approach to East-West relations.

A promising beginning has been made on the long road leading to the restructuring of Soviet foreign policy. Despite the public relations component of Gorbachev's new thinking, it is certainly more than empty rhetoric. Many stubborn problems remain in the relations between East and West, and a sudden increase in international tension is an ever-present danger. Nonetheless, the opportunities for sustained progress toward a more peaceful and stable international system are greater than they have been in many, many years. ■

¹⁹*Pravda*, November 3, 1987, p. 5.

NATIONALITIES PROBLEM

(Continued from page 328)

toward the future. Increasingly, the focus of their aspirations is home rule, a kind of surrogate independence. In this they have been, so far, surpris-

ingly successful, especially in Estonia. Already it has been announced that Estonia will have much broader autonomy in economic planning and management. But most unusually, in 1988 the regime allowed the formation of a "popular front" in Estonia—the first legally sanctioned quasi-political group in the Soviet Union to function outside the Communist party. Similar preparations for public organizations are under way in Latvia and Lithuania.

The Catholic Church in Lithuania received a big boost in June, 1988, when Pope John Paul II made Bishop Vincentas Sladkevičius a Cardinal. (Another Cardinal, elevated in 1979, is believed to be a Lithuanian).

Change in the Slavic republics has proceeded at a slower, less feverish pace. As was true of the dissident movement in the 1970's, the focus of concern in the Ukraine has been language. Although official figures on school enrollments by language of instruction have not been published for years, the press has recently revealed some facts that many found disturbing. Less than one-fourth of the children in Kiev, for example, study in Ukrainian schools (the capital's population is almost 70 percent Ukrainian). Republic-wide enrollments in Ukrainian schools hover at just over 50 percent, at least 20 percentage points less than the Ukrainian share of the total population. Russian children frequently do not study Ukrainian as a subject.

In view of these facts, individuals and public organizations, especially the Union of Writers, have been pressing for more Ukrainian-language schools and the compulsory study of the language. It has also been demanded that Ukrainian be declared the official language of the republic and that the constitution be amended to this effect. Surprisingly strong statements about the even worse condition of their language have been made by the Belorussians.

Religious issues gained currency with the approach of the millennium of Christianity in Kievan Rus. Voices were raised in the press asking why the celebrations were to be viewed as Russian events in Moscow, and not as Ukrainian events in Kiev, where the act of baptism occurred in 988. Petitions, some signed by formerly underground bishops and clergy, called for the legalization of the Ukrainian Catholic Church.

Politically, perhaps the most surprising was an event that never transpired. Despite many predictions of his imminent downfall, Vladimir Shcherbitsky, a Brezhnevite holdover, remained entrenched as the Ukrainian first secretary and member of the ruling Politburo. In Belorussia, Nikolai Sliunkov became first secretary in 1983; on his promotion to the Politburo in 1987, he was suc-

(Continued on page 352)

THE MONTH IN REVIEW

A Current History chronology covering the most important events of August, 1988, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Angolan Peace Plan

- Aug. 2—South Africa proposes to set August 10 as a cease-fire date, to initiate South African troop withdrawals coordinated with Cuban troop withdrawals and to plan for elections in Namibia (Southwest Africa) in June, 1989.
- Aug. 3—Cuba and Angola disagree with South African proposals for Angola.
- Aug. 5—In a 14-line statement issued after 4 days of negotiations, Angola, Cuba and South Africa agree on a "sequence of steps to achieve peace in Southwest Africa (Namibia)."
- Aug. 8—South Africa, Cuba and Angola announce "a de facto cessation of hostilities now in effect" in Angola, setting the date of November 1 to start the process of Namibian independence.
- Aug. 16—The U.S. State Department reports that the U.S. has offered to help staff a cease-fire monitoring commission in Angola.
- Aug. 31—Angolan sources report that South African forces have withdrawn from Angola.

Central American Peace Plan

- Aug. 1—After a 1-day meeting with the foreign ministers of Honduras, El Salvador, Guatemala and Costa Rica, U.S. Secretary of State George Shultz fails to persuade them to denounce Nicaragua strongly; the ministers also fail to agree with Shultz on ways to deal with the Sandinista government.
- Aug. 11—Costa Rican President Oscar Arias Sánchez says that he has asked Cuban leader Fidel Castro to help revive the Central American peace plan and to persuade Nicaragua to cooperate.

International Terrorism

- Aug. 22—The U.S. State Department issues a report that says that international terrorism rose 7 percent in 1987; there were 832 terrorist incidents.

Iran-Iraq War

(See also *Intl, UN; U.S., Military*)

- Aug. 2—Iraq's delegation to the UN peace talks says that Iraq will not agree to UN Secretary General Javier Pérez de Cuéllar's cease-fire proposals until Iran agrees to direct talks with Iraq.
- Aug. 3—Iran again accuses Iraq of using poison gas; it claims 1,000 persons were wounded in gas attacks.
- Aug. 5—De Cuéllar says that the UN will send a 250-member peace-keeping force to the Persian Gulf.
- Aug. 7—Iran accepts Iraq's proposal for direct talks immediately after a cease-fire and agrees to the UN proposal for a cease-fire.
- Aug. 8—De Cuéllar announces a cease-fire for the Iran-Iraq conflict to begin on August 20.
- Aug. 20—A cease-fire goes into effect in the Iran-Iraq conflict.
- Aug. 25—Under UN auspices in Geneva, the Iranian and Iraqi foreign ministers open direct negotiations for a permanent peace settlement.
- Aug. 26—Iraq claims full sovereignty over the Shatt al Arab, the narrow waterway that connects Basra with the Persian Gulf; Iraq says it will not consider continuing peace talks unless Iran agrees to Iraq's claim.

- Aug. 30—Teheran Radio quotes Iran's Ayatollah Ruhollah Khomeini as saying that Iranians "should not think the war is over."

The Iran-Iraq war peace talks are stalled because of the continuing dispute over the Shatt al Arab waterway.

North Atlantic Treaty Organization (NATO)

- Aug. 23—Former U.S. Army Sergeant Clyde Lee Conrad and 2 Hungarian-born Swedish brothers, Sandor Kercsik and Imre Kercsik, are arrested in Sweden and West Germany and charged with suspicion of espionage. U.S. officials say that the 3 men were involved in a spy ring that has operated for the last 10 years and gave "box loads" of secrets about NATO communications and defense plans to the Warsaw Treaty Organization and the Soviet Union.

United Nations (UN)

(See also *Intl, Iran-Iraq War; U.S., Foreign Policy*)

- Aug. 1—UN Secretary General Javier Pérez de Cuéllar says he will declare a date for a cease-fire in the Iran-Iraq war.
- Aug. 16—The UN observer team in Afghanistan reports that the Soviet Army has withdrawn from 10 of its 18 main bases in Afghanistan.
- Aug. 26—In a unanimous resolution, the Security Council condemns the use of chemical weapons in the Iran-Iraq conflict.
- Aug. 30—Morocco and the Polisario Front guerrillas agree to a UN-sponsored peace plan for the Western Sahara; the UN plan to end the 13-year-old war was presented to both sides earlier this month by UN Secretary General Javier Pérez de Cuéllar.

Warsaw Treaty Organization

(See *Intl, NATO*)

AFGHANISTAN

(See *Intl, UN; U.S.S.R.*)

BOLIVIA

(See *U.S., Foreign Policy*)

BURMA

- Aug. 3—After a student demonstration in Rangoon, the government imposes martial law in the city.
- Aug. 8—Demonstrators march in Rangoon and 14 other Burmese cities to protest the appointment of Sein Lwin as President; diplomatic sources say that 8 people have died in the nationwide protests.
- Aug. 9—As antigovernment protests continue, riot troops battle protesters in Rangoon and Sagaing; the state-run radio reports that 36 people have died in the confrontations, while Western sources place the death toll at more than 100 people.
- Aug. 11—Violence continues in Burma as official accounts confirm that at least 100 people have been shot and killed by government forces during public disturbances.
- Aug. 12—Sein Lwin resigns as Burma's President and as leader of the ruling party; there is no official explanation for his resignation.
- Aug. 19—Attorney General Maung Maung is selected as Burma's leader; he is named President and chairman of Burma's only political party.
- Aug. 24—President Maung Maung announces that martial

law has been lifted; he calls for a referendum on single-party rule in Burma.

Aug. 25—Hundreds of thousands of people march in Rangoon to call for the immediate resignation of the government.

Dissident leader Aung Gyi and 1,700 other imprisoned antigovernment protesters are released from custody.

Aug. 26—A crowd of 500,000 gathered in Rangoon to hear opposition leaders call for the establishment of an interim government.

A riot at the Insein Prison near Rangoon leaves an unknown number dead when guards fire on the fleeing prisoners.

Aug. 27—The government says that 36 people died during the riot at Insein Prison.

BURUNDI

Aug. 22—The Foreign Ministry says that at least 5,000 people have died since August 15 in fighting between the majority Hutu and the minority Tutsi tribes.

CHILE

Aug. 24—The government lifts the states of emergency under which the nation has been ruled since President Augusto Pinochet came to power in 1973.

Aug. 30—The armed forces nominate Augusto Pinochet for his 8th term as President; Pinochet's nomination is subject to a public referendum to be held October 5.

COSTA RICA

(See *Intl, Central American Peace Plan*)

CUBA

(See *Intl, Angolan Peace Plan, Central American Peace Plan*)

CYPRUS

(See *U.S., Foreign Policy*)

CZECHOSLOVAKIA

Aug. 21—A crowd of 10,000 people marches in Prague to commemorate the 20th anniversary of the 1968 Soviet invasion of Czechoslovakia.

ECUADOR

Aug. 11—President Rodrigo Borja restores Ecuador's diplomatic relations with Nicaragua; Borja was inaugurated on August 10.

EGYPT

Aug. 8—One of the escaped men convicted of killing Egyptian President Anwar Sadat is killed in a shootout with police. In a separate incident, a 2d escaped assassin convicted of killing Sadat is captured in Cairo.

EL SALVADOR

(See *Intl, Central American Peace Plan*)

FRANCE

Aug. 7—The president of France's state-run railroad resigns after the 2d major train crash in 6 weeks.

GERMANY, WEST

(See also *U.S.S.R.*)

Aug. 28—A midair collision of 3 Italian Air Force planes at an air show at the U.S. Ramstein air base results in the death of at least 40 people when 1 of the jets crashes into the crowd and explodes. Another 200 people are hospitalized, many with serious burns.

Aug. 29—Defense Minister Rupert Scholz says that West Ger-

many is banning all future acrobatic air shows.

Aug. 30—West German authorities report that the death toll in the Ramstein air-show accident has reached 49, including 6 Americans, 4 West Germans and 3 Italians.

GUATEMALA

(See *Intl, Central American Peace Plan*)

HONDURAS

(See *Intl, Central American Peace Plan*)

INDIA

Aug. 6—In the state of Bihar, a ferry boat capsizes in the Ganges River; at least 400 people die in the accident.

Aug. 12—The Indian government signs a truce with guerrillas in the state of Tripura; the accord ends 8 years of fighting, during which over 2,000 people died.

IRAN

(See *Intl, Iran-Iraq War; U.S., Military*)

IRAQ

(See also *Intl, Iran-Iraq War*)

Aug. 31—Iraq launches an offensive against Kurdish guerrillas controlling 4,000 square miles of northern Iraq.

ISRAEL

(See also *Jordan*)

Aug. 9—The Israeli Air Force attacks Palestinian positions in southern Lebanon; Israel says that the object of the attack was to destroy a radio transmitter that encouraged Palestinian protests in the occupied territories.

Aug. 10—At a special session of Parliament, Prime Minister Yitzhak Shamir says that Israel will use "an iron fist" to prevent Palestinian attempts to form an independent Palestinian state in the occupied Gaza Strip and the West Bank.

Aug. 14—The Israeli Army places the Gaza Strip under 24-hour curfew in response to renewed rioting by Palestinians.

Aug. 21—Police arrest 3 Arab suspects in the August 20 bombing of a shopping mall in Haifa in which 25 people were wounded.

Two Palestinians are shot to death during confrontations with Israeli troops in the West Bank and Gaza Strip.

ITALY

(See *Germany, West*)

JORDAN

Aug. 4—Jordan's press agency announces that the government has begun to stop paying salaries to 21,000 of its social service employees in the Israeli-occupied territories of the West Bank and the Gaza Strip.

Aug. 6—The ministry that deals with Palestinian affairs in Israel's occupied territories is abolished by the government.

Aug. 9—In an interview appearing in a Saudi newspaper, Palestine Liberation Organization (PLO) leader Yasir Arafat says that Jordan's King Hussein did not discuss with Arafat Jordan's renunciation of its claim to the Israeli-occupied territories. Arafat accuses the Arab nations of reneging on commitments made at the June, 1988, Arab summit to supply the PLO with funds.

Aug. 23—Yasir Arafat says that the PLO will pay the salaries of the civil service employees in the occupied territories who were formerly in the pay of Jordan.

KOREA, NORTH

(See *Korea, South*)

KOREA, SOUTH

- Aug. 10—South Korea accepts an offer from North Korea to meet for preliminary talks in Panmunjon on August 19.
- Aug. 19—Delegates from North Korea and South Korea begin to discuss proposed joint parliamentary talks between the 2 nations.
- Aug. 22—Talks break off in Panmunjon when both sides reach a stalemate over a variety of issues, including North Korean participation in the 1988 Summer Olympic games, the size of the proposed joint parliamentary discussions, and a nonaggression pact between the 2 nations. No date is set for the resumption of negotiations.

LEBANON(See *Israel*)**LIBYA**(See *U.K., Northern Ireland*)**MOROCCO**(See *Intl, UN*)**NAMIBIA**(See *Intl, Angolan Peace Plan*)**NICARAGUA**(See also *Intl, Central American Peace Plan; Ecuador*)

- Aug. 12—While visiting Ecuador, President Daniel Ortega Saavedra says that he is willing to resume discussions with the contra rebels.

PAKISTAN(See also *U.S.S.R.; U.S., Foreign Policy*)

- Aug. 17—President Mohammed Zia ul-Haq and 29 other people are killed when their C-130 cargo plane explodes in midair in eastern Pakistan. President Zia has ruled Pakistan since 1977. Among the other victims of the crash are U.S. Ambassador to Pakistan Arnold Raphel and 10 senior Pakistani military officers.

Ghulam Ishaq Khan, the chairman of Pakistan's Senate, becomes Pakistan's President after Zia's death.

- Aug. 18—The Information Ministry announces that it suspects foul play in the crash of President Zia's plane.
- Aug. 21—Pakistani and American forensic experts investigating the crash of President Zia's plane say that the plane was found "in bits and pieces," lending support to rumors that the plane may have been destroyed by a powerful explosive planted on board.

PALAU

- Aug. 20—Police say that President Lazarus Salii has been found shot to death at his home and that they do not know whether his death is a homicide or suicide. Minister of Justice Thomas Remengesau becomes acting President.

PANAMA(See *U.S., Foreign Policy*)**PHILIPPINES**

- Aug. 13—In a letter to President Corazon Aquino, Vice President Salvador Laurel blames Aquino for failure to prevent corruption in the government and urges her to resign as President and call for new elections. In response, Aquino accuses Laurel of not being supportive of her government.
- Aug. 27—Salvador Laurel announces the formation of a new opposition movement, saying that President Aquino will lead the Philippines to "national disaster" if she is unopposed. Among Laurel's supporters is Senator Juan Ponce Enrile.

POLAND

- Aug. 2—The Polish section of PEN, an international writers' group, is allowed to resume functioning by the government; the Polish branch was dissolved in the 1981 government crackdown on the Solidarity labor union.
- Aug. 16—In Upper Silesia, 3,000 coal miners go on strike; the miners demand higher wages and the restoration of the outlawed Solidarity labor union.
- Aug. 17—Workers strike at a 2d coal mine in southern Poland; dock workers strike at Szczecin to show their support for the demands of the coal miners in Upper Silesia.
- Aug. 19—Lech Walesa, the leader of the outlawed Solidarity union, threatens to initiate a strike at the Gdansk shipyard unless the conditions of the striking coal miners and dock workers are met.
- Aug. 22—Shipyard workers in Gdansk strike to show their support for the reinstatement of Solidarity.
- In response to growing labor unrest, the Polish government declares a nationwide state of emergency; riot police detain strikers in Szczecin.
- Aug. 24—Strikes end at 5 coal mines but continue in at least 16 mines and enterprises in the 10th day of nationwide strikes.
- Aug. 27—In a speech before the Communist party Central Committee, Polish leader General Wojciech Jaruzelski says that "a courageous turnaround" is needed by the government to curb Poland's labor and economic troubles.
- Aug. 28—The Central Committee approves plans for broad discussions with various social and political groups about Poland's economic problems, but is vague about recognizing Solidarity as part of the discussions.
- Aug. 29—Lech Walesa says that he will participate in government-sponsored talks only as a representative of the Solidarity labor union.
- Aug. 31—Lech Walesa meets with Interior Minister Czeslaw Kiszczak and a representative of the Catholic Church in Warsaw; this is the 1st official meeting between Walesa and representatives of the Polish government since Solidarity was outlawed in 1982.

SOUTH AFRICA(See also *Intl, Angolan Peace Plan*)

- Aug. 16—A lawyer for jailed African National Congress leader Nelson Mandela says that Mandela has been hospitalized in Cape Town and is suffering from tuberculosis.

SUDAN

- Aug. 9—A state of emergency is declared after torrential rains flood most of the nation, leaving 1,500,000 people homeless.

U.S.S.R.

- (See also *Intl, NATO, UN; Czechoslovakia; U.S., Foreign Policy*)
- Aug. 3—West German pilot Mathias Rust is released from prison by Soviet authorities; Rust served 11 months of a 4-year term for his illegal flight to Red Square from West Germany in 1987.
- Aug. 15—The Soviet Union warns Pakistan that it will not tolerate the continuance of aid from Pakistan to the rebel forces in Afghanistan.
- Aug. 23—The Soviet news agency Tass reports large demonstrations in Latvia, Lithuania and Estonia protesting the anniversary of the 1939 Soviet-German pact that enabled the Soviet Union to annex the Baltic republics.

UNITED KINGDOM**Great Britain**(See also *U.K., Northern Ireland*)

- Aug. 1—In a bomb explosion in northern London, 1 British soldier is killed and 10 others are wounded; the Irish

Republican Army (IRA) claims responsibility for the action, the first successful IRA bombing in Britain since 1984.

Northern Ireland

(See also *U.K., Great Britain*)

- Aug. 2—A British soldier is killed in Belfast and a police officer dies in a bomb explosion in Lisburn; the IRA says it is responsible for both attacks.
- Aug. 19—A British military bus-carrying soldiers returning from leave is blown up west of Belfast. At least 8 soldiers are killed and 28 are wounded in the explosion, for which the IRA claims responsibility.
- Aug. 20—Northern Ireland's secretary of state, Tom King, says there is "some evidence" that the explosives used in the August 19 attack may have come from Libya.
- Aug. 30—British security forces shoot and kill 3 armed suspected IRA gunmen near Omagh; the British press reports that 1 of the dead gunmen was questioned last week in the August 19 bombing of a British troop bus.

UNITED STATES

Administration

(See also *U.S., Legislation*)

- Aug. 4—Attorney General Edwin Meese 3d leaves his post.
- Aug. 5—President Ronald Reagan nominates Nicholas Brady to succeed James Baker 3d as secretary of the treasury.
- Aug. 9—Secretary of Education William Bennett resigns; President Ronald Reagan nominates Texas Tech University President Lauro T. Cavazos to succeed him.
- Aug. 11—The Agriculture Department estimates that the U.S. 1988 grain harvest will be 31 percent lower than last year's harvest because of drought conditions.
- Aug. 15—The National Center for Health Statistics reports that there were 3,829,000 births in the U.S. in 1987, the largest number in 23 years; marriage and divorce rates declined.
- Aug. 31—The Census Bureau reports that in 1987, the poverty level for a family of 4 was \$11,600; 10.5 percent of all Americans were regarded as poor; 31.1 percent of all black Americans were poor.

Economy

- Aug. 2—The Commerce Department reports that its index of leading economic indicators rose 1.4 percent in June.
- Aug. 5—The Labor Department reports that the nation's unemployment rate rose slightly, to 5.4 percent, in July.
- Aug. 9—The Federal Reserve Board raises its discount rate to 6.5 percent.
- Aug. 11—Major banks raise their prime rate to 10 percent.
- Aug. 12—The Labor Department reports that its producer price index rose 0.5 percent in July.
- Aug. 16—The Commerce Department reports that the U.S. foreign trade deficit rose to \$12.5 billion in June.
- Aug. 19—The Federal Home Loan Bank Board consolidates 8 Texas federal savings and loan institutions into 1 at an initial cost of \$2.5 billion to the federal government.
- The Congressional Budget Office estimates that a robust economy will reduce the projected 1989 budget deficit to \$148 billion instead of \$177 billion.
- Aug. 23—The Labor Department reports that its consumer price index rose 0.4 percent in July.
- Aug. 24—The Commerce Department reports that the nation's foreign trade deficit narrowed to \$29.9 billion in the 2d quarter of 1988.
- Aug. 25—The Commerce Department issues a revised report saying that the nation's gross national product (GNP) grew at an annual rate of 3.3 percent in the 2d quarter of 1988.
- Aug. 26—The Federal Home Loan Bank Board arranges the

merger of 9 more savings and loan institutions, with a federal commitment of about \$1 billion in aid.

Aug. 30—The Commerce Department reports that its index of leading economic indicators fell 0.8 percent in July.

Foreign Policy

(See also *Intl, Angolan Peace Plan, Central American Peace Plan, International Terrorism, NATO, Pakistan*)

- Aug. 1—Defense Secretary Frank Carlucci begins a 4-day visit to the Soviet Union.
- President Ronald Reagan meets in Washington, D.C., with President George Vassilov of Cyprus.
- Aug. 3—Hanoi withdraws its offer to help find U.S. military personnel missing in action (MIA's) in Vietnam because of what it calls the continuing hostile policy of the U.S. toward Vietnam.
- Aug. 8—In Bolivia, Secretary of State George Shultz escapes unhurt when a bomb explodes alongside his motorcade.
- Aug. 9—Assistant Secretary of State Richard Williamson says that the U.S. is asking the Arab Persian Gulf states to make substantial "voluntary contributions" toward the expenses of the UN peace-monitoring force in the Persian Gulf.
- Aug. 17—Ambassador to Pakistan Arnold Raphel is killed when Pakistani President Zia ul-Haq's plane explodes over Pakistan after takeoff.
- The State Department says that the White House has decided not to provide information to the General Accounting Office at this time about administration investigations of the alleged criminal activities of General Manuel Noriega of Panama.
- Aug. 29—The Justice Department announces that the administration will not appeal the U.S. District Court decision to permit the PLO observer mission at the UN to remain in New York.
- Aug. 30—The State Department says that Hanoi has agreed to resume helping to find U.S. MIA's in Vietnam.
- Attorney General Richard Thornburgh announces the completion of a month-long 30-nation cooperative effort to arrest drug dealers; the raids resulted in the detention of 1,200 suspects and the seizure of a large quantity of cocaine and marijuana.

Aug. 31—Ambassador to Zimbabwe James Rawlings announces an end to a 2-year freeze on U.S. aid to Zimbabwe and the signing of a \$17-million grant.

Labor and Industry

Aug. 4—The Hertz Corporation pleads guilty in U.S. District Court to charges of defrauding some 110,000 customers, including motorists and insurance companies, by charging fictitious repair costs; the company is fined \$6.85 million and will pay at least \$13.7 million more in restitution.

Legislation

- Aug. 2—The Senate votes 94 to 3 to approve measures amending a 20-year-old civil rights bill to strengthen provisions prohibiting discrimination in housing; the House approved an almost identical measure, voting 376 to 23, on June 23.
- President Reagan announces that he will not veto a bill that requires companies to give 60-days notice of plant closings or large layoffs; the bill will go into effect August 3.
- Aug. 3—The Senate votes 85 to 11 to approve a sweeping trade revision bill that stresses reciprocity and gives the President new and broader powers to regulate trade practices; the House passed the measure, voting 376 to 45, on July 13.
- President Reagan vetoes the \$299.6-billion defense authorization bill, saying its "faults and flaws" jeopardize the nation's defense.
- Aug. 4—The House votes 257 to 156 to approve a measure providing \$20,000 per individual in atonement reparations to

survivors of the American internment camps for Japanese-Americans during World War II.

Aug. 9—Voting 383 to 18, the House passes a \$3.9-billion drought aid bill to help farmers in drought-stricken areas; the Senate passed the bill on August 8.

Aug. 10—President Reagan signs the reparations bill for Japanese-Americans interned by the U.S. in World War II; the bill establishes a \$1.25-billion trust fund to pay the reparations.

Aug. 11—President Reagan signs the \$3.9-billion drought relief bill.

The Senate unanimously confirms Richard Thornburgh as the nation's 76th Attorney General.

Aug. 23—President Reagan signs the 1988 trade bill.

Military

Aug. 19—In the official report on the downing of the Iranian Air jetliner on July 3 that killed all 290 passengers, Defense Secretary Frank Carlucci and Chairman of the Joint Chiefs of Staff Admiral William Crowe Jr. say that no U.S. Navy personnel will be disciplined. The 532-page report says a series of mistakes led to the erroneous identification of the plane; it concludes that combat stress was the leading cause of the error and charges that Iran is also at fault for allowing the plane to fly into a war zone.

Aug. 23—The U.S. Navy charges Captain Alerande Balian, commander of the U.S.S. *Dubueque*, with refusing to give adequate assistance to Asian refugees in Vietnamese waters; the refugees eventually resorted to cannibalism to survive their 18-day ordeal at sea.

Political Scandal

Aug. 5—U.S. District Court Judge Gerhard Gesell postpones the trial of former White House aide Oliver North, scheduled for September 20, at least until the middle of November.

Politics

Aug. 14—President Ronald Reagan arrives in New Orleans for the Republican National Convention.

Aug. 15—The 34th Republican National Convention begins in New Orleans; President Reagan addresses the opening night of the convention and offers his support to Vice President George Bush for the Republican presidential nomination.

Aug. 16—Vice President Bush selects 41-year-old conservative Senator Dan Quayle (R., Ind.) as his vice presidential candidate.

The convention endorses strong conservative views in adopting its party platform.

Aug. 17—The Republican National Convention officially nominates Vice President George Bush as its 1988 presidential candidate; he promises a vigorous campaign.

Aug. 18—George Bush accepts the Republican presidential nomination; he promises to create 30 million jobs and pledges never to raise taxes. Quayle accepts the nomination for Vice President amid controversy over his National Guard service during the Vietnam War era.

VIETNAM

(See *U.S., Military*)

ZIMBABWE

(See *U.S., Foreign Policy*)

NATIONALITIES PROBLEM

(Continued from page 347)

ceeded by Efrem Sokolov.

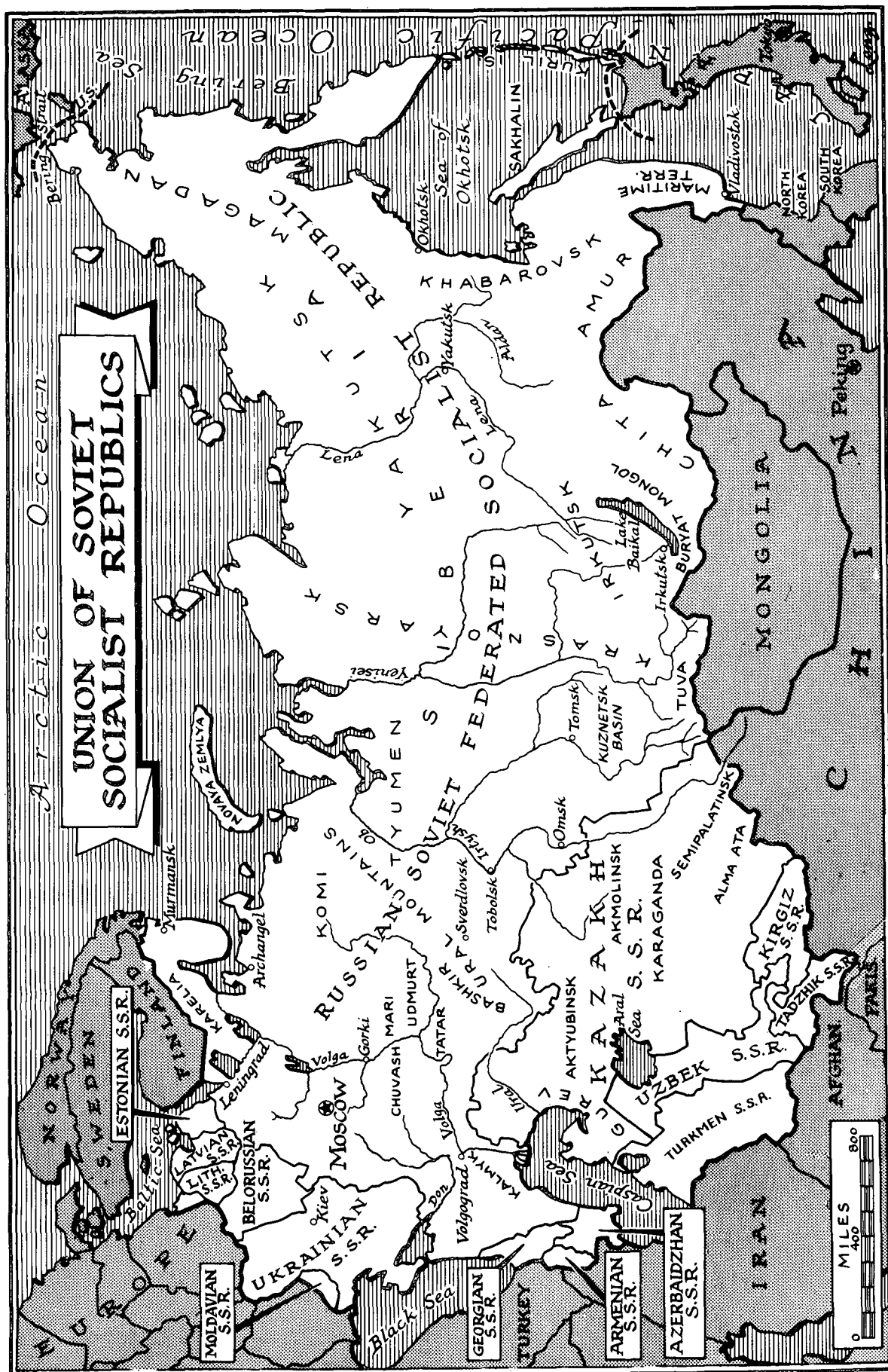
That the most dramatic events of all took place in

Transcaucasia is not surprising. The high level of national consciousness and pride, the prominence of many Transcaucasians in the party, and greater degrees of self-administration than the norm have combined to suffuse the native populations with considerable self-confidence. The demographic trends, too, help foster nationalism. Since 1959, not only the proportion but even the absolute number of Russians has fallen in Georgia and Azerbaijan, and at 2.3 percent the Russian presence is weaker in Armenia than in any other national republic.

It was the virtual mass uprising in Armenia in 1988 that has captured the most attention. The autonomous region of Nagorno-Karabakh, to which the Armenians laid claim, has been administratively a part of Azerbaijan since the early 1920's, purportedly for economic and geographical reasons. Armenian claims on grounds of ethnicity were raised several times since 1965, mostly in the form of petitions to Moscow. In February, 1988, Armenians took to the streets, both in the region itself and in the Armenian capital of Yerevan. Initial vacillation at the center, with promises to reexamine the issue, encouraged the Armenians. Armenian demands, in turn, infuriated the Azerbaijanis and led to pogroms during which, as officially reported, over 30 Armenians were killed. Street demonstrations were followed by work stoppages and strikes. The normally compliant legislatures (supreme soviets) of both republics voted in opposite directions on the secession issue. Finally, in July, 1988, official word came from Moscow that Karabakh would remain part of Azerbaijan. In view of the passions aroused, however, and with their long memories of historical grievances, it is unlikely that the Armenians will let the matter rest permanently.

Ethnic violence led to the ouster in May, 1988, of the first secretaries of Armenia—Karen Demirchyan—and Azerbaijan—Kyamran Bagirov. They were replaced by Suren Arutyunyan and Abdul-Rakhman Vezirov, respectively.

Mikhail Gorbachev came into power; apparently, with a vision of economic reform that has, until now, preoccupied him. The ferment in the national republics has forced Gorbachev to confront issues to which earlier he had given less thought. A recognition of this is evident in his call to reexamine Soviet nationalities policy "in theory and in practice." Such a reexamination has not yet taken place. The leadership's response to ethnic problems has been for the most part tactical, concerned with defusing a particular crisis. Coming to grips with the nationalities problem, as with the economic problem, will require vision and systemic change. On Gorbachev's nationalities agenda may well hang his, and the Soviet Union's, future. ■



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